PARLIAMENTARY DEBATES

(HANSARD)

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HOUSE OF COMMONS

OFFICIAL REPORT

FOURTH SESSION OF THE FIFTY-FOURTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-EIGHTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2008–2009

COMPRISING PERIOD
23 February 2009—6 March 2009

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THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FOURTH SESSION OF THE FIFTY-FOURTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 11 MAY 2005]

FIFTY-EIGHTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 488**

FOURTH VOLUME OF SESSION 2008-2009

House of Commons

Monday 23 February 2009

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

Afghanistan (Troop Deployment)

1. **Andrew Selous** (South-West Bedfordshire) (Con): What forecast he has made of levels of troop deployment to Afghanistan in the next two years; and if he will make a statement. [257879]

The Secretary of State for Defence (Mr. John Hutton): Before I answer the hon. Gentleman's question, I am sure that the whole House will want to join me in expressing profound condolences to the families and friends of Marine Darren Smith of 45 Commando Royal Marines, who was killed on active service in Helmand province on 14 February, and Lance Corporal Stephen Kingscott of 1 Battalion The Rifles, who was also killed on active service in Afghanistan on 16 February, and to the family and friends of Private Ryan Wrathall of the 1st Battalion The Princess of Wales's Royal Regiment, who died in Iraq on Thursday 12 February. They all died in the service of our country, and we will always remember their bravery, courage and devotion to duty.

In December 2008, my right hon. Friend the Prime Minister announced a temporary uplift in UK force levels in Afghanistan to bring our deployment to around 8,300 troops. We are currently working closely with the new US Administration on their ongoing policy review. Her Majesty's Government will continue to ensure that our commanders have the troops and the capabilities that they need to do their tasks safely and effectively.

Andrew Selous: The whole House will join the Secretary of State in his tribute to those of our brave soldiers who have recently died in Afghanistan and elsewhere. More troops from my regiment, the Royal Regiment of Fusiliers, will shortly be going to Afghanistan, adding to the United Kingdom's already significant contribution to the NATO force in that country. Does the Secretary of State understand the real anger in this House, and throughout the country, at the fact that other NATO countries are not shouldering their fair share of responsibility? What is he going to do about it, given that so many British lives are at stake?

Mr. Hutton: I understand that the regiment to which the hon. Gentleman referred is shortly due to go to Afghanistan as part of 19 Brigade, and we wish it well.

I am aware of the hon. Gentleman's concerns, and I have tried, since becoming the Secretary of State for Defence, to give expression to them in this country and, more importantly, when I have discussions with my NATO counterparts. I will continue to do that. UK forces are in Afghanistan because it is vitally necessary for them to be there as a part of securing our homeland defence against the risk of international terrorism. I hope that all parties would accept that our commitment properly reflects the priority that we should attach to succeeding in our mission in Afghanistan.

Andrew Mackinlay (Thurrock) (Lab): Has the Secretary of State reflected on the fact that there has never been a specific mandate from this House for the deployment of

our armed forces and service personnel in Helmand? The Prime Minister always promised us that, if there were a significant deployment, it would have such a mandate. There is a serious democratic deficit in this case, and the Secretary of State needs to tell his NATO colleagues that he is under pressure in the House about it.

It is now time that we took stock. When we deployed in Helmand, there was a ministerial statement. I confessed to the House that I had never heard of Helmand before, and I suspect that there were an awful lot of other people like me. It is now time for this matter to be put to a vote in the House of Commons, to see whether there is an endorsement of this ongoing mission creep. We are putting more and more of our armed forces into Helmand, but NATO is not fulfilling its obligations.

Mr. Hutton: When it comes to the business of the House, it is for my right hon. and learned Friend the Leader of the House and others to determine such matters. We have made regular statements in this place on UK force levels and on deployment in Afghanistan, and I have a strong sense of a cross-party consensus in support of that mission. As I said, it is not for me to determine which procedures or matters are put before this House.

I would strongly rebuke—not rebuke; I would never rebuke my hon. Friend. But I would disagree with him very strongly when he talks about mission creep in Afghanistan. There has not been any mission creep in Afghanistan. We are there to support the NATO mission at the request of the Afghan Government, and force levels reflect the nature of the tasks that need to be completed. I repeat that there has not been mission creep in Afghanistan.

Mr. James Arbuthnot (North-East Hampshire) (Con): I agree with the Secretary of State that there is a cross-party consensus in this House on the need to be in Afghanistan, but what can he do to inspire the country to believe that this is our battle, and something in which we must succeed? At the moment, that battle of communication is not being won.

Mr. Hutton: I accept that we have to respond positively to that issue. Since I have been Secretary of State, I have made it a priority to make it clear why UK forces are in Afghanistan. They are there to ensure the homeland security of the United Kingdom and our friends and allies. The threat of international terrorism is real, and we fool ourselves if we think that we can somehow wish it away—we cannot.

I agree with the view, which is shared by the right hon. Gentleman, who speaks sensibly and sanely on these matters, that we cannot succeed in our mission in Afghanistan purely by the use of military force. But nor can we succeed without it, and the responsibility that rests on me and others is to ensure that, in the discharge of that role, which is vital for UK national security, we have the right balance of forces with the right equipment to allow the men and women who serve this country so bravely in Afghanistan the best prospect of succeeding in what we all accept is an arduous and difficult campaign.

Nick Harvey (North Devon) (LD): Will the Secretary of State clarify the circumstances in which we would contemplate sending more British troops? Last week, the Foreign Secretary referred to a "strategic stalemate" that appeared to rule out any more British troops going. From the beginning, rather a small number of western troops have been trying to overcome a large country and stabilise a large population. Is it not rather odd to congratulate the Americans and urge Europeans to send more troops but seemingly rule out any more British troops going? Are there any circumstances in which we would send more, or are we driving a hard bargain? If it is the latter, will the Secretary of State build on the statements made by him and others that military action needs to be accompanied by a political plan?

Mr. Hutton: I do not think that the problem in Afghanistan has been the lack of a plan. There is a carefully set out strategic plan for succeeding in the counter-insurgency campaign. It has a military and security component, to which the UK is making an important contribution, and there is also a clear economic plan involving reconstruction, social development and political progress in cementing support across Afghanistan for the new democracy. We have a comprehensive approach.

When it comes to Europe and others, we are right to be critical of the NATO effort and response in Afghanistan. It falls short of what is necessary on specific matters such as combat forces or even the mentoring and training role, in which there is an obvious deficiency in the support that we are providing the Afghan army and police. It is important to keep in mind the fact that there are 25,000 NATO troops deployed in Afghanistan, which is a not inconsiderable effort. We do damage to the alliance if we tend to dismiss that, and we should never damage the coherence of the NATO alliance. However, we need more, which is reflected in the recent US decision to improve troop levels.

We have never ruled out additional troop deployments in Afghanistan. The decision on whether we deploy is taken on the advice of our commanders about the specific capabilities that they need. We have made no secret of the fact that there is currently a serious threat to us from improvised explosive devices. We have attempted to respond to it, and we need to do more to counter that threat, which now accounts for 80 per cent. of our casualties. It is not the case that we are not prepared to do more—we might be. We will act on the basis of the advice that we receive from our own commanders and from our NATO allies.

Sir Peter Tapsell (Louth and Horncastle) (Con): As President Karzai says that there is now no resting place for al-Qaeda in Afghanistan, as the head of MI5 says that our military presence there increases the danger of terrorism in Britain, and as the bombing of Pashtuns and their women and children greatly radicalises Pakistan, what is the continuing justification for sacrificing more British lives in this unwinnable war?

Mr. Hutton: I reject the hon. Gentleman's defeatism, which has no place in this House. The logic for UK deployment in Afghanistan is very clear, and I have tried to set it out today and on previous occasions. The real threat that the UK faces is not the risk of state warfare but the risk that emanates from failed states such as Afghanistan that, as we know from recent experience, have provided a safe haven for international terrorists who mean us harm and who have done everything that they possibly can to acquire the capabilities to

inflict serious harm upon us. The idea that we can simply leave Afghanistan to its own devices is a counsel of total despair, and would sacrifice the genuine interests of the security of our country.

Mr. Michael Ancram (Devizes) (Con): While I join the Secretary of State in paying tribute to our armed forces in Afghanistan for the tremendous work that they are doing, does he agree with the US envoy Ambassador Holbrooke that the current situation in Afghanistan is a mess?

Mr. Hutton: Ambassador Holbrooke will choose his own words to describe the situation in Afghanistan; I would not use those words myself. There has been progress in Afghanistan in recent years. We have not prevailed in the campaign against the insurgency—that is stating the bleedingly obvious—but it is an error to describe the past few years as having resulted in no progress. We have denied the opportunity for Afghanistan to be a haven for terrorism and there is a democracy there now that is making small steps towards progress. The very significant service and sacrifice of the British armed forces has played a significant role in allowing us to make that progress.

However, I agree strongly with Ambassador Holbrooke that there is an obvious case for NATO to do more to improve security conditions on the ground and for the Afghan Government to respond to the effort that our people are making to consolidate security, with progress at a domestic political and economic level. There has been too little of that in the past few years.

Mr. Nicholas Soames (Mid-Sussex) (Con): Does the Secretary of State agree that, despite the dismal performance of too many of our NATO allies, in many respects, the command structure is at fault? Does he agree that too many countries are pursuing their own objectives in Afghanistan outside the main plan and that the command chain needs to be pulled into a much tighter focus?

Mr. Hutton: The two major operations in Afghanistan are that of the international security assistance force and Operation Enduring Freedom. I believe that there is homogeneity of command structures in ISAF, and that is useful. There is a debate between regional and provincial command, which needs to be properly aired and thrashed out. However, the detail of the command structure arises from military commanders' advice, and politicians should tread warily when it comes to the detail of military command arrangements.

Dr. Liam Fox (Woodspring) (Con): The general consensus on Afghanistan in the House has put the United Kingdom in a strong position in NATO. Does the Secretary of State agree that, if there is to be further British deployment in Afghanistan, four criteria must be met? First, there must be a clear and achievable political mission to support the military mission, as was the case with the surge in Iraq, but that does not currently exist in Afghanistan. Secondly, governance in Afghanistan, including widespread corruption, must be tackled because it is undermining our efforts. Thirdly, as has been said, all NATO allies should be asked to take a fairer share because too many are shamefully failing to do that. Fourthly, any increase in troop numbers must be matched by a proportionate and appropriate increase in equipment such as helicopters and armoured vehicles.

Mr. Hutton: I agree with a great deal of what the hon. Gentleman has said. We would not deploy additional forces to Afghanistan unless they had the right equipment to do their job properly. He has rightly drawn attention to the small number of helicopters that are available to support ISAF. We are working on that, as are our NATO partners and allies. The French-UK helicopter initiative is a small step in the right direction—it has yet to produce significant new assets but I hope that it will do soon.

Although I agree with much of what the hon. Gentleman said, I caution him about drawing too many parallels between Iraq and Afghanistan. They are two very different countries, with very different security situations.

Dr. Fox: The Secretary of State will know that, over the weekend, reports in the press gave detailed information about the life-changing injuries that some of our troops in Afghanistan have sustained. Will he take the opportunity, relatively early in his time in office, to review the way in which the Ministry of Defence publishes statistics, so that we can have a full and transparent picture of the sacrifices that are being made on our behalf? The British public, our armed forces and their families deserve no less, and are far more able to deal with unpleasant truth than with what many may perceive as half-truths and evasion.

Mr. Hutton: I agree that transparency in the figures is important. Every fortnight, we publish a series of figures, which show the extent of injuries and wounds to service personnel in active theatres. It is not therefore fair or reasonable to criticise the MOD for failing to provide an accurate scorecard on what is happening. We do not have a category of "life-changing injuries". Neither the statisticians nor the services have identified that as a meaningful definition. However, we publish comprehensive fortnightly data, which deal with the extent of injuries and wounds. I am happy to draw the hon. Gentleman's attention to that, if he wishes.

Armed Forces Personnel

2. **Mr. Gordon Marsden** (Blackpool, South)*(Lab): Whether his Department plans to offer (a) financial support and (b) advice to armed forces personnel returning to the UK specific to circumstances caused by the economic downturn. [257080]

The Parliamentary Under-Secretary of State for Defence (Mr. Kevan Jones): Financial guidance is available to service personnel in establishments throughout the United Kingdom and abroad. However, recognising the particular demands of service life, the Ministry of Defence and the Financial Services Authority are working together to deliver a programme of seminars for service personnel to help them to become more aware and confident in dealing with their personal finances. The programme's implementation is flexible to allow targeting of units returning from overseas tours.

Mr. Marsden: I thank the Under-Secretary for his response and I warmly welcome his emphasis on the transition to UK—and, in many cases, civilian—life. That echoes what he recently told me and other members of the all-party group on veterans.

There is a particular need to focus on the needs of service personnel who return to the UK without strong family links or, indeed, any family to which to turn for such assistance. I have heard that from voluntary organisations in my constituency. May I ask my hon. Friend and his officials to work closely with the Secretaries of State for Innovation, Universities and Skills and for Work and Pensions to identify ways in which military personnel can particularly benefit from their services and assistance?

Mr. Jones: I am grateful to my hon. Friend for that support. Some of those issues are already being addressed in the service personnel Command Paper. However, if there are instances where the MOD should be working with other Departments to improve the position not only of those who are in service, but of those making the transition into civilian life, I am prepared to look into them and to meet any Members with suggestions about that.

Mr. Mike Hancock (Portsmouth, South) (LD): I know that the Minister is conscious of the support needed for servicemen, but will he give an undertaking to ensure that the families of service personnel who are serving on long deployments, whether in the Royal Navy or in the other forces deployed in Afghanistan and Iraq, are also given proper advice at this time? One of the problems faced by servicemen currently serving abroad is that their families may have got into problems in this difficult time. I would like an assurance—and, I am sure, so would the House—that such advice will also be forthcoming to partners and families of service personnel.

Mr. Jones: I pay tribute to the service families, who are doing a vital job in supporting the men and women in theatre. The hon. Gentleman raises an important point. Welfare and financial support are available through the HIVE—help information volunteer exchanges—system. In addition, there is work under way with service charities such as the Royal British Legion, which, along with the RAF Benevolent Fund, has just launched a programme of support for welfare advice workers in citizens advice bureaux, which are giving support for families and those in service. However, I would like again to put on record our thanks to those families.

Mr. David Hamilton (Midlothian) (Lab): One of the biggest concerns that service personnel have when they return is that they and their families may face a year-long wait on the housing list. Will the Minister consider discussing with local authorities throughout the country the possibility of prioritising personnel returning from abroad—some local authorities do that, but not all?

Mr. Jones: One of the out-turns of the service personnel Command Paper is to allow service families to get local recognition of where they are based, if they want to stay in that area. My hon. Friend raises an interesting point. Later this year, I and ministerial colleagues from the Department will make a series of regional visits. One of my visits will involve meeting local authorities and other agencies to reinforce some of those issues, so that servicemen and women and their families are not disadvantaged by their local system.

Mr. James Gray (North Wiltshire) (Con): The very high morale of soldiers and sailors returning from theatres of war will be witnessed by all those who are able to see the 7th Armoured Brigade coming through Carriage Gates at 3.45 this afternoon, after defence questions. However, does the Minister agree that unless proper advice on financial matters and the welfare packages available is given to soldiers and sailors at home, that morale in the field will be fundamentally undermined? It is vital that we keep the home end going, if we are to keep the fighting morale of our soldiers out there going.

Mr. Jones: First, may I pay tribute to the hon. Gentleman and other members of the all-party group on the Army for arranging this afternoon's event? I and other ministerial colleagues will be there to support the event. He raises a vital point. It is important that we support families, because when people are on operations, they think about their families back home being taken care of. One thing that I am working on, which will be announced later this year, is a welfare pathway, which is intended to look not only at support for families and servicemen when they are in service, but at how they make the transition to civilian life. We should not forget that we have a duty of care to servicemen and women not just when they are in service, but when they leave.

Amphibious/Littoral Military Capability

3. **Linda Gilroy** (Plymouth, Sutton) (Lab/Co-op): What his Department's policy is on the role of amphibious and littoral military capability. [257882]

The Minister for the Armed Forces (Mr. Bob Ainsworth): Amphibious and littoral capability continue to be key elements of our force structure, as reflected in our major investment in amphibious shipping in recent years and by the contribution of our brave Royal Marine Commandos to operations in Afghanistan.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): I thank my right hon. Friend for that reply. He will be aware that last week the amphibious task group Taurus 09 set sail for the far east, led by the Plymouth-based ships HMS Bulwark and HMS Ocean. Does he agree that that kind of shipping, coupled with our highly trained marines, for whom we have such high regard, is at the centre of defence capability for meeting the challenges of an uncertain future? Could he tell me what the prospects are for Devonport being involved in the support of such capability?

Mr. Ainsworth: The Taurus 09 exercise gives our forces an opportunity to practise in the amphibious arena in challenging environments in various parts of the world. It is an important exercise, and I think that HMS Bulwark sailed from Plymouth last Wednesday to participate in it. Devonport will be the centre of excellence for amphibious operations, as well as conducting the depth maintenance that is needed on the submarine fleet and on the surface fleet, so Plymouth will continue to provide the support that it has provided to our forces historically.

Patrick Mercer (Newark) (Con): The defence of our coastline has never been more important, particularly in the light of the recent attacks in Mumbai, yet in recent evidence to the Defence Committee, the noble Lord West, referring to those defence arrangements, said:

"It is not what I would call, ultimately, satisfactory".

Can the Minister reassure me that Lord West's concerns are ill-founded, and that much more is being done to protect our coastline?

Mr. Ainsworth: I do not know in exactly what circumstances the phrase "ultimately, satisfactory" was used, but plans are in place to provide the necessary capability to counteract a terrorist attack in our country. We believe that they are perfectly adequate, although they obviously have to be kept under review. In the light of circumstances such as those in Mumbai, that is vital, as every Member of the House can see.

Willie Rennie (Dunfermline and West Fife) (LD): An important part of any amphibious or littoral force is the capability supplied by the aircraft carriers. There was great concern in West Fife recently when the decision was made to delay the aircraft carriers, but there was little talk about the impact of that decision on the Navy's aircraft capability in the longer term. What will happen to the Navy's aircraft capability between now and when the aircraft carriers come into service? What will be the impact of the decision on the costs, not only of construction but of any elongation of the aircraft carriers' service?

Mr. Ainsworth: As the hon. Gentleman knows, we have our current aircraft carriers, but we also have the real capability provided by HMS Ocean. There will be no gap in capability. The new carriers will come into force as soon as possible. Yes, there has been some delay to the original in-service dates, but that will be adequately filled by our current force.

Joint Combat Aircraft

4. **Bill Wiggin** (Leominster) (Con): What recent assessment he has made of progress in the development of the joint combat aircraft. [257883]

The Parliamentary Under-Secretary of State for Defence (Mr. Quentin Davies): I visited Fort Worth for discussions on this programme with Lockheed Martin about 10 days ago, and the programme is proceeding very satisfactorily. I am sure that this is a capability that our country needs, and I hope that we will be able to make an important announcement about it over the next few weeks.

Bill Wiggin: Can the Minister use this opportunity to confirm that the delays to the future carrier programme announced last December are in no way connected with potential delays to the joint strike fighter programme?

Mr. Davies: I can give the hon. Gentleman that unqualified assurance.

David Taylor (North-West Leicestershire) (Lab/Co-op): The ability of senior MOD civil servants to deliver major capital projects on time and within budget is not something that automatically springs to mind when one reflects on their abilities. The defence information infrastructure IT project was costed at £2.3 billion. It is now running at £5.8 billion, even though it was not reported to Parliament, and its projected cost is now £7.1 billion. Will the Minister reassure the House that that £5 billion overspend will not inhibit our ability to finance the project that the hon. Member for Leominster (Bill Wiggin) has asked about? When are we going to get a grip on some of the major projects for which the Ministry of Defence is responsible?

Mr. Davies: My hon. Friend has found an ingenious way of bringing up a subject to which I know he is very committed. I can give him the assurance that we are making progress—albeit with a delay, sadly, as he rightly said, in respect of the defence information infrastructure programme. The latest figures I have seen show that we have managed to install some 62,000 computer terminals and we hope to complete another 100,000 by the end of the year. I can assure my hon. Friend that the problems with this particular project will have no consequences at all for the joint strike fighter programme.

Angus Robertson (Moray) (SNP): The joint combat aircraft will be based at RAF Lossiemouth, where a good deal of work has already been done on the transition from Tornadoes to the JCA. Is the Ministry of Defence content with those preparations and is it confident that the changes will go to time?

Mr. Davies: I have not looked at those particular preparations in detail, as it is still some time before we take delivery of those aircraft, but the hon. Gentleman can be certain that we are watching that matter very closely indeed. We do not intend to invest in this programme, with all the enormous importance it has for the future of the nation's defence capability, without ensuring that proper support mechanisms are in place for it.

Mr. Stephen Hepburn (Jarrow) (Lab): We are widely informed that the development of the joint strike fighter has led to a two-year delay in the aircraft carrier project. Will the Minister confirm that there has been no official announcement that work that has been destined for the Tyne for more than 12 months now on the aircraft carrier has been transferred to Scotland? Will he meet me and a number of other Members from the north-east, along with the trade union leaders, to discuss the matter further?

Mr. Davies: I am always delighted to meet the hon. Gentleman—*[Interruption.]* I mean my hon. Friend. I would be more than happy to meet him. I have already given the House the assurance that the reprofiling of the carrier programme was in no sense due to any delays in the JSF programme, and we have made that clear from the outset. I hope that my hon. Friend will be satisfied with that. So far as the distribution of work on the carrier is concerned, as my hon. Friend knows, we have a contract with the Aircraft Carrier Alliance and it is up to the alliance to decide where it would be most efficient and most appropriate to locate the work that needs to be undertaken. It is not for us to designate particular sites.

Mr. Gerald Howarth (Aldershot) (Con): Typically, the Minister piled confusion upon confusion. He has just told the House that there is no connection between the delay in the aircraft carriers and the acquisition of the joint combat aircraft or joint strike fighter. I point out to him that his own Secretary of State made a statement to the House on 11 December—a statement that we have previously had no opportunity to discuss. In that statement he said:

"We have concluded that there is scope for bringing more closely into line the introduction of the joint combat aircraft and the aircraft carrier. This is likely to mean delaying the in-service

date of the new carriers by one to two years."—[*Official Report*, 11 December 2008; Vol. 485, c. 67WS.]

The Minister and the Secretary of State cannot both be telling the truth. Which one is true?

Mr. Davies: The hon. Gentleman was not listening to me and has got it exactly the wrong way round. It was put to me this afternoon that the reason for reprofiling the dates of the manufacture and delivery of the carriers was the delay in the JSF programme. I have explained that there was no delay and that that is not therefore the reason for reprofiling the carriers. The reason for doing so was, quite simply, that it made no sense to spend money much earlier than required to no possible benefit when we could not advance the date of JSF delivery even if we wanted to. We have made that very clear. It is exactly the other way round. The hon. Gentleman, not for the first time, has completely failed to understand the situation.

Mr. David Crausby (Bolton, North-East) (Lab): Will the Minister assure me that Britain will have complete autonomy in its use of the joint strike fighter? Is he absolutely certain that we will be able to fly it to its full potential, maintain and upgrade it without the support of American personnel?

Mr. Davies: My hon. Friend has put his finger on a number of important points, and I can assure him that we are confident of meeting those objectives. It is a central priority in our programme to do so.

Iran (Missile Development)

5. **Angela Watkinson** (Upminster) (Con): What assessment he has made of the implications for UK defence policy of recent Iranian missile development. [257884]

The Secretary of State for Defence (Mr. John Hutton): We routinely assess the military capabilities of other nations' armed forces, including those of Iran. Iran is attempting to improve its ballistic missile capabilities; we continue to monitor these developments very carefully indeed.

Angela Watkinson: I thank the Secretary of State for his reply, but how worried are the Government about the potential supply of Fajr-2 missiles from Iran to Hamas and what would be the implications for regional security, including the safety of our own troops?

Mr. Hutton: Iran should stop meddling in the affairs of the middle east. That is what it should do. The supply of armaments to Hamas in Gaza is profoundly unwelcome and must stop. We have made an offer to try to help the interdiction of those missile supplies and we stand ready to do that. We have no information to suggest that the capabilities that the Iranians are seeking to acquire pose a threat to UK forces, but Iran's growing interest in developing ballistic missile technology goes far beyond what is and can ever be justified in terms of Iranian self-defence, so we are entitled, along with our allies, to keep a very close eye on the continuing malign influence that Iran is playing in the middle east.

Ms Dari Taylor (Stockton, South) (Lab): What attempts have the Government made to speak with Iran about the possibility of its signing, or at least seeing the value of, the nuclear non-proliferation treaty?

Mr. Hutton: We should certainly continue to discuss those matters with Iran. It is quite clear that Iran is continuing to take steps to seek to acquire a nuclear weapons programme. We must do everything we possibly can, with our international allies, to ensure that that never happens.

Mr. James Paice (South-East Cambridgeshire) (Con): What assessment has the Secretary of State made of possible Russian involvement in arming Iran, in particular the stories that the Russians might be providing the Iranians with anti-missile missiles?

Mr. Hutton: We do have concerns about the suggestion that Russian ground-to-air missiles might be provided to the Iranians. As part of trying to secure the defence of Iranian nuclear installations, that would certainly be a very unwelcome development. I can assure the hon. Gentleman that we have had discussions with Russia about those matters, and continue to do so.

Dr. Julian Lewis (New Forest, East) (Con): Within the last few days, it has been revealed by the British ambassador to the United Nations that in 2005 the Iranians offered the British a deal whereby they said:

"We stop killing you in Iraq…you allow us to carry on with our"

missile and

"nuclear programme."

That deal was rightly rejected. This is, I believe, the first time that a senior British official has spoken about an Iranian admission of direct involvement in killing British service personnel. Will the Secretary of State confirm that that is also his understanding of that situation?

Mr. Hutton: I do not think that there is any doubt that, in recent years, the Iranians have been assisting various groups in Iraq to attack British forces. That is totally unacceptable. Iran should keep its nose out of Iraq and other countries. Iran has a legitimate set of interests in the middle east, but it has no right whatever to involve itself in the internal security situation of other countries. Its role in assisting those groups to kill British forces is one that we will never forget.

Super Garrisons

6. **Tony Baldry** (Banbury) (Con): What progress has been made on the evaluation of policy options for super garrisons; and if he will make a statement. [257885]

The Minister for the Armed Forces (Mr. Bob Ainsworth): Four super garrisons will be established in Aldershot, the east of England, Yorkshire and Salisbury plain. Those will all form by April 2009, and the Northern Ireland super garrison by April 2010.

All those phase 1 super garrisons have been subject to major rebuild programmes, but their development goes beyond infrastructure. They will provide a sustainable

military community better integrated with the local civilian community and the local civilian authorities. These will be places where people will want to work and to live.

Tony Baldry: I thank the Minister for that answer. We have quite a large military footprint in Oxfordshire—Bicester, Benson, Abingdon—and it would be fair to say that Oxford would very much welcome, in due course, being considered for super garrison status, but those things require planning and lead-in time. Will the Minister assure the House that there will be long discussions and lead-in time with local authorities to make quite sure that we can get the best out of the potential for super garrisons for the military and for communities such as Oxfordshire?

Mr. Ainsworth: The hon. Gentleman has been a champion of the garrison at Bicester for a long time. While I do not think that there is the potential for a super garrison in that location, there are possible synergies in respect of other defence capability moving into the area; of course, we will be considering that. Should we consider it further, there will be full consultation not only with him, but with the relevant local authorities in so doing.

Mr. Brian Jenkins (Tamworth) (Lab): Can my right hon. Friend confirm that he is satisfied that the garrison of our armed forces in this country broadly reflects where they are recruited from?

Mr. Ainsworth: It can never do that in its entirety. The garrison in this country reflects historic decisions that have been made and facilities that have been located in different parts of the country. Of course it would be sensible, to the degree that it is practical, to align the garrison of the Army in Great Britain with the locations in which its members are recruited, and we should try to do that. However, we cannot simply change our footprint and an extensive estate that has existed for a long time.

Robert Key (Salisbury) (Con): I am grateful to the Minister for writing to invite me to see progress at Andover in relation to the proposed transfer of UK Land Command to the site. He will, however, be aware of the enormous changes and pressures affecting the community in south Wiltshire as a result of the super-garrison proposals, and also the quite proper expansion of the work being done in the Defence Science and Technology Laboratory at Porton Down. Can he assure me that planning will take place in close association with the new Wiltshire council, which will come into being shortly, and that in implementing this enormous investment programme, he will not neglect the existing married quarters, which remain sub-standard for so many of our military personnel and their dependants?

Mr. Ainsworth: I am told that there is a good relationship with the local authority, but if the hon. Gentleman has evidence to the contrary I shall be only too happy to listen to him and ensure that we put things right. He has expressed his concern about some of the changes for some time, and I should also be more than happy to talk to him privately, as well as in the Chamber, about those issues.

There has been substantial investment in both single and married quarters over time, but the hon. Gentleman knows that we live with a legacy of neglect that goes back many decades.

Dr. Andrew Murrison (Westbury) (Con): The Government's super-garrison initiative offers them an opportunity to do something about the shameful accommodation that many of our troops have had to put up with for far too long. However, servicemen and women will note that defence is conspicuously absent from the Government's programme for bringing forward capital expenditure and that defence projects are being delayed or cancelled, and they will draw their own conclusions on where they lie in the Government's scheme of priorities. Why have Ministers decided not to follow the example of other countries that are including defence projects in their fiscal stimulus packages?

Mr. Ainsworth: The hon. Gentleman has raised these issues in a manner that is not acceptable. There has been substantial investment in the estate over a long period, and the legacy that we were left by the Government whom he supported was truly outrageous. He needs to remember the Annington Homes deal, which left us with a legacy on family living accommodation that was an absolute scandal before the 1997 election. None of that can be solved immediately; it has to be solved over time, and it is being solved. Many thousands of homes have been brought up to standard, including both service family and single accommodation.

Afghan Public Opinion

7. **Malcolm Bruce** (Gordon) (LD): What assessment he has made of Afghan public opinion on the international security assistance force and UK military missions in Afghanistan. [257886]

The Secretary of State for Defence (Mr. John Hutton): The United Kingdom and our ISAF partners are in Afghanistan at the invitation of the democratically elected Government of Afghanistan, and our strong experience on the ground is that Afghans welcome the progress that has been made since the overthrow of the Taliban. The governor of Helmand province, Governor Mangal, has himself stated:

"Until the threat of terrorism is removed it is important that British and international forces remain in Afghanistan."

Malcolm Bruce: I thank the Secretary of State for that reply. Does he acknowledge that United Nations figures show that 39 per cent. of the 2,118 people killed in Afghanistan in 2008 were civilians and that 31 per cent. more civilians were killed by NATO in 2008 than in 2007? At the same time, a broadcasting poll shows that the proportion of Afghanis who think that their country is heading in the right direction has fallen from 77 per cent. to 40 per cent. and that support for NATO among Afghanis has fallen from 67 per cent. to 37 per cent. Does the Secretary of State not think that these trends are connected, and that we have to ensure that the people of Afghanistan see themselves not as targets but as protected by the forces, and that they can see the basis for their country developing, rather than having their civilians killed in the crossfire?

Mr. Hutton: Let me make it absolutely clear to the right hon. Gentleman that Afghan civilians are not targeted by NATO and ISAF forces—it is completely untrue to claim otherwise. The majority of the civilian casualties in Afghanistan are caused by the Taliban and their supporters, and we should never lose sight of that fact. They show an indiscriminate use of violence and a willingness to use men, women and children—civilians—as a cover behind which they launch their cowardly attacks on both the Afghan security forces and NATO troops. I agree with the right hon. Gentleman that we have to do more—it is the value system that we represent that is important here—to reduce even further, if we can, civilian casualties in Afghanistan. I want to be clear with him and the House that I think there is more we can do, and I want to be in a position soon to make a further statement about that.

Mr. David Drew (Stroud) (Lab/Co-op): I hear what my right hon. Friend says, but even some of the more stable parts of Afghanistan, particularly in the north, are now beginning to look as though they may come under threat from Taliban or other insurgent elements. What guarantees can we ask for from the whole international community that a proper political process is underwriting what the military are currently trying to do? I am aware that my own regiment, the 1st Rifles, is there, as it has been on previous occasions. The military people need to have some knowledge that the political situation is getting better, not worse.

Mr. Hutton: With great respect to my hon. Friend, I think it is a mistake to describe the security situation in the way that he has done. I think he will find that there were fewer security incidents this year in Kabul, for example, than the year before, so we need to be very careful about how we in this House describe the security situation there. I am not for a second saying that there are not still very serious challenges for us to face in Afghanistan, but I think we need to be clear about the nature of the problem.

The political reconciliation process is, first and foremost, rightly and properly a matter on which the Afghan Government, as the democratic representatives of the Afghan people, should take lead responsibility, but I think my hon. Friend will find that our military commanders on the ground are very well experienced and very well educated in the political realities of Afghan society.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): While Afghan public opinion is, of course, very important, so, too, is British public opinion. Does the right hon. Gentleman understand that if our European NATO allies do not deploy more troops in a combat role, British public support for this particular campaign will be substantially lessened—and, indeed, the public's faith in NATO itself will be much reduced?

Mr. Hutton: Yes, I think there is a danger of that, as I have made clear in many public remarks, but if there is a consensus in this House—and I hope there is—it should be about the nature of the UK mission in Afghanistan. It is first and foremost about securing UK national security interests. That is why our troops are there—it is why we ask them to expose themselves to the risk of danger—and if the right hon. and learned Gentleman agrees with me about that, I hope he will join me in continuing to make the case for why the United Kingdom should be involved in the way that it is in our mission in Afghanistan.

Topical Questions

T1. [257903] **Gregory Barker** (Bexhill and Battle) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Defence (Mr. John Hutton): My departmental responsibilities are to ensure that our country is properly defended now and in the future, and that our service personnel have the right equipment and training to allow them to succeed in the military tasks in which they are engaged either at home or abroad.

Gregory Barker: The Secretary of State will be familiar with the case of Marine Joe Townsend, who was grievously wounded, like so many of our brave service personnel, while on active duty in Afghanistan—in Joe's case losing his lower limbs entirely. The Secretary of State will know that there was huge public support for Joe when he encountered problems with the planning laws in trying to build a bungalow on his grandfather's farm to allow him to live independently. It is clear that there are problems here—although Wealden council is trying to work constructively with him, there are lessons to be learned—so will the Secretary of State agree to meet me, representatives of local government and, perhaps, his colleagues from the Department for Communities and Local Government, to see whether planning guidance can actually reflect the fact that when we say that wounded servicemen and women are special, the treatment they receive reflects that?

Mr. Hutton: I agree strongly with the hon. Gentleman and the spirit behind his question. We have to find a sensible way to enable Joe to live in a house that is suitable to his needs and near to his parents, and that must be a priority for us. Wealden district council is trying to find a sensible way forward and I hope that that is achieved speedily. I am happy to meet the hon. Gentleman and his constituents to discuss this genuine and important issue.

John Mann (Bassetlaw) (Lab): Sergeant Michael Brennan from my constituency was blown up in Afghanistan, but it happened too early for him to get compensation. Is it not time that the Government paid less money to solicitors to argue why people such as Sergeant Brennan should not be paid and instead paid out to all those service personnel who have been badly injured in Iraq and Afghanistan?

The Parliamentary Under-Secretary of State for Defence (Mr. Kevan Jones): My hon. Friend will not be surprised that I share his views on solicitors in general. However, in the specific case in question, it is not that his constituent does not have access to any compensation; the issue is that he was injured before the 2005 scheme was introduced, and he can access a war pension under the old war pension scheme. If my hon. Friend wants to meet me to talk about the issue, I am prepared to arrange that.

T3. [257905] **Ann Winterton** (Congleton) (Con): As the A400M airlift aircraft is not expected to come into service until 2014, and even that date is optimistic, what will the effect be on future Army structure, given that it is heavily dependent on airlift and that airframe capacity is being not just diminished but rapidly exhausted?

The Parliamentary Under-Secretary of State for Defence (Mr. Quentin Davies): We have a contract with Airbus Military, and we are committed to that contract. We expect Airbus Military to deliver on that contract. If it is unable to do so, we shall have to examine all the options available to us.

T5. [257907] **Ben Chapman** (Wirral, South) (Lab): Will my right hon. Friend join me in paying tribute to the service cadet units in our constituencies and in recognising that, for example, the Air Training Corps in Eastham and the Sea Cadets in New Ferry provide a valuable service to our young people and their communities?

Mr. Hutton: I am pleased to do so, and I pay tribute to all the young boys and girls, their parents and the volunteers who support the ATC and the Sea Cadets in my hon. Friend's constituency. They do a brilliant job, and we would like to find ways to encourage more such activity. It is a great grounding for a young person to spend some time in the cadets, and I strongly recommend such an experience for every young boy and girl in this country.

T4. [257906] **Stephen Hammond** (Wimbledon) (Con): Will the Secretary of State tell the House what assessment he has made of any possible implications of, or lessons to be learned from, the recent collision between nuclear submarines for our nuclear fleet and our defence?

Mr. Hutton: As the hon. Gentleman will know and as the First Sea Lord has made clear, a very careful investigation is taking place into exactly how that event happened and what conclusions we should draw. I do not want to pre-empt that inquiry, but if there are any lessons to be learned—and I suspect that there are—we need to learn them quickly.

T7. [257909] **Mr. Eric Illsley** (Barnsley, Central) (Lab): Will my right hon. Friend look again at the recent increases in fares for the Falkland Islands air bridge and the removal of the child concessions, which have made it more and more difficult for Falkland Islanders to visit this country? That goes against the spirit of what the Government have always professed—that we should increase our contacts with the islanders.

The Minister for the Armed Forces (Mr. Bob Ainsworth): Progress is being made in discussions with the Falkland Islands Government on this issue, and we hope that we will be able to reach agreement in the very near future and announce the details.

T6. [257908] **Mr. Philip Hollobone** (Kettering) (Con): What is the future of the Joint Force Harrier?

Mr. Hutton: There is a piece of work being done in the Department about the Joint Force Harrier. All that I can say to the hon. Gentleman is that it is right that we should look at every option as we prepare for the future, but all the options that we are considering include recognising the principle that it should be a jointly operated force.

Hugh Bayley (City of York) (Lab): Increasing numbers of Territorial Army doctors are serving abroad. For many years, doctors have been trained at Strensall camp just outside York. Is the Minister convinced that sufficient training is given now that they are more likely to be deployed, and does the NHS—the normal full-time employer of those doctors—give enough support to doctors who serve in the Territorial Army?

Mr. Kevan Jones: May I start by paying tribute to the men and women reservists who are in both Iraq and Afghanistan? I visited Afghanistan two weeks ago and met some of them. My hon. Friend's constituents should rightly be proud of the contribution they are making to training. I have visited York on previous occasions and I should be pleased to do so again if my hon. Friend feels it would be helpful. To try to meet the need for specialist medical provision, there is a new scheme for volunteers from the NHS and currently two NHS nurses are on Operation Herrick in Afghanistan.

T9. [257911] **Malcolm Bruce** (Gordon) (LD): Some Defence questions ago, the Minister indicated that he was willing to respond to the number of forces personnel who have been deafened in action, and I am pleased that some constructive discussions are going on between the Royal National Institute for Deaf People and the Minister's Department, but does he acknowledge that the United States gives both better equipment and much better support and compensation for servicemen and women who are deafened on active service? Can he ensure that we provide exactly the same quality of support as the Americans do for their troops?

Mr. Kevan Jones: Following the right hon. Gentleman's raising the issue, I had a meeting in the Department with the RNID, along with the Surgeon General, and we are now working together, which includes having representatives from the RNID on working groups. Later this year, I hope to announce a joint working approach with the RNID, which we both feel will be constructive and helpful for servicemen and women. I do not agree that the United States is doing more than we are in this field. The constructive approach taken by both the Ministry of Defence and the RNID is a positive way forward.

Mr. Jim Devine (Livingston) (Lab): As my right hon. Friend the Minister is aware, my constituent Willie Leith lobbies me almost daily about the Yangtze incident. I have written to my right hon. Friend to raise the issue with him, but will he put the Government's position on the record so that I can reassure my constituent, Mr. Leith?

Mr. Bob Ainsworth: I have replied to my hon. Friend in the past and I am more than happy to meet him if he wants more detail about the issue.

Mike Penning (Hemel Hempstead) (Con): When our brave servicemen and women return home after they have been injured, many of them receive compensation

but many need help from local social services for adaptations. Is the Secretary of State aware that some local authorities refuse to give adaptations unless people pay, because their compensation has come through and they are above the threshold? Can we do something to prevent local authorities from taking compensation away and ensure that they give people the adaptations they really need?

Mr. Kevan Jones: That is an issue that I am addressing. Councils should be disregarding compensation lump sums in respect of adaptations. This is part of a bigger piece of work I have asked the Department to do on what is called a welfare pathway, so that when people leave the armed forces we do not just forget about them, but make sure that local authorities and other agencies take into account the fact that those people have been on active service and we owe them a debt of gratitude. That work will be produced later this year, and I am working with other Departments and COBSEO—the Confederation of British Service and Ex-service Organisations—to pull it together. As part of the regional visits, I shall be meeting local authorities to stress the need to treat veterans as a special case.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): In an earlier answer, the Secretary of State expressed his desire that Iran should stop meddling in the middle east. Iran needs financial means to engage in that activity. Lloyds TSB recently had to admit that it had facilitated some financial transactions, so may I urge my right hon. Friend to have talks with his Treasury colleagues to make sure that no other British banks are involved and that no financial transactions from the UK put our troops at risk?

Mr. Hutton: I shall certainly look into the matter that my hon. Friend raises, but I am sure that she will be aware of recent steps that we in the United Kingdom have taken to freeze Iranian assets and to deal with the flow of money that is used to support causes that directly target the health, safety and well-being of British forces.

Richard Younger-Ross (Teignbridge) (LD): To take the Secretary of State back to the issue of Afghanistan, let me say that I fully support our troops being there, but I am not sure that they are helped by his definition of "progress". Could he say what kind of progress there has been, given that two years ago non-government organisations could operate freely in about 80 per cent. of the south, whereas today they can barely operate anywhere in the south at all?

Mr. Hutton: I am not sure that the UK forces would welcome that assessment of progress, either. [HON. MEMBERS: "It's true."] No. In the south, and in Helmand, which has become the principal focus of Taliban insurgent activity, the situation remains seriously challenging, both for local Afghans and for British forces. However, we recently saw significant success in operations in Helmand, and I hope that the hon. Gentleman will at least welcome that.

Mr. Bernard Jenkin (North Essex) (Con): May I remind the Secretary of State that when British forces were first deployed to Afghanistan back in 2002, we were promised a six-month deployment, yet we have been there for a period longer than the second world war? May I also draw his attention to the fact that he has issued revised defence planning assumptions that still class Afghanistan as a contingent operation instead of a standing commitment? Is it not about time that we treated our Afghan deployment as a standing commitment, and configured our armed forces accordingly?

Mr. Hutton: Whatever our armed forces need to conduct successful operations in Afghanistan, they will have; I do not think that it matters very much what label we attach to that operation. They will get whatever help, support and resources they need to succeed.

Andrew Mackinlay (Thurrock) (Lab): Will the Government help those of us who are concerned about the proposal to sell the Royal Star and Garter home in Richmond upon Thames? It is highly valued by people who are disabled. It is not only a place for service personnel who were disabled in conflict, but a war memorial, and it should not be disposed of in the way proposed by the trustees.

Mr. Kevan Jones: I understand the passion to which the issue gives rise, but it is a matter for the trustees. However, if my hon. Friend would like to write to me on the subject, I should be happy to meet him and others who raise such concerns.

Points of Order

3.32 pm

Mr. Crispin Blunt (Reigate) (Con): On a point of order, Mr. Speaker. It will not have escaped your attention that there has already been widespread public disorder across Europe arising from current economic conditions, including in Iceland, where the Government and Parliament have been directly on the receiving end of such disorder. I tabled a question to the Home Secretary on 22 January, asking

"what consideration she has given to assessing the threat to public order arising from the current economic situation."

There was no reply to that on the named day for answer, 29 January, so I tabled another question, asking her when she would answer that question, but answer came there none. Imagine my surprise this morning to see that the lead story in *The Guardian* is "Britain faces summer of rage—police". The article goes on to say:

"Britain's most senior police officer with responsibility for public order raised the spectre of a return of the riots of the 1980s, with people who have lost their jobs, homes or savings becoming 'footsoldiers' in a wave of...violent mass protests."

Whatever the merits of that opinion, surely you, Mr. Speaker, will be as surprised as I am that parliamentary questions on the subject have not been answered. Are you aware of any statement that the Home Secretary proposes to make on that issue? Could you give an instruction that she should at least pay attention to her parliamentary duty and answer hon. Members' questions?

Mr. Speaker: I am always very keen for Members of the House who table questions to get a proper answer. I am not responsible for the reply that any Minister gives, but the hon. Gentleman has put the matter on record, and I hope that the Ministers responsible will take note of the points that he has made.

Fiona Mactaggart (Slough) (Lab): On a point of order, Mr. Speaker. I should like to ask your advice on a matter relating to Iqra Slough Islamic primary school in my constituency, which has refused to allow me to visit it until, according to the governors, I issue

"a full retraction of your view as regards the Promoters, the majority of whom are Governors and that you fully support the current Promoters and Governing Body."

I know that this is not a matter of privilege, but I believe that that body is seeking to fetter my ability to represent my constituents.

Mr. Speaker: I am afraid that is a matter in which I cannot interfere, but the hon. Lady has an advantage in that her constituency is quite near the House of Commons. The important thing about the school is the children, so why not invite them along to the House of Commons and let them see the good work that the hon. Lady does? To me, that would be the answer.

Mr. William Cash (Stone) (Con): On a point of order, Mr. Speaker. Yesterday the Prime Minister was in Berlin with other leaders of the European Union discussing matters relating to the regulation of financial services and, by implication, the City of London. Surely a matter of that importance ought to be accompanied by a statement. Would you please be kind enough to ensure that the Prime Minister comes to the House of Commons on such occasions?

Mr. Speaker: It is up to the Prime Minister, but he will note the point that the hon. Gentleman has made.

Mr. Michael Fallon (Sevenoaks) (Con): On a point of order, Mr. Speaker. Can you reassure the House that if, as rumoured, the Government are about to authorise the Bank of England to take further steps towards the printing of money, involving some £150 billion-worth of taxpayers' money, that will be done only through a full statement to the House?

Mr. Speaker: Once again, the matter has been put on the record.

Mr. Greg Hands (Hammersmith and Fulham) (Con): On a point of order, Mr. Speaker. May I raise with you a letter that has been written by my parliamentary neighbour, the hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter), which has gone to tens of thousands of my constituents, outlining his reasons for his resignation as Parliamentary Private Secretary to Lord Malloch-Brown? It is written on House of Commons Portcullis paper, which seeks to lend the authority of the House. In a letter to my constituents, the hon. Gentleman says that he has been their elected representative for 25 years and he is looking forward to fighting the next election as Labour's candidate for the new Hammersmith seat. He goes on to say:

"My first duty as an MP is to you",

but that is written to people who are not his constituents. May we have a ruling on whether the rules on writing to other Members' constituents are properly enforced in the House?

Mr. Speaker: First, I hope the hon. Gentleman has notified the hon. Gentleman about whom he is complaining. The best ruling that I can give is keep the Speaker out of disputes over boundaries. That is the best thing to do. Hon. Members should try and resolve these matters themselves. Every constituency has a Member of Parliament. The boundary changes that the boundary commission has brought in are nothing to do with the House or the individual Members. Hon. Members should be busy looking after their existing constituents without interfering. I make no criticism of the hon. Gentleman's constituency neighbour. I say to the whole House—*[Interruption.]* Order. I say to the House, if the hon. Member for Chesham and Amersham (Mrs. Gillan) will let me speak, that every Member of Parliament has constituents. Look after the existing constituents, and worry about what happens after the next election.

BILL PRESENTED

Northern Ireland Bill

Presentation and First Reading (Standing Order No. 57)

Mr. Secretary Woodward, supported by the Prime Minister, Mr. Chancellor of the Exchequer, Secretary David Miliband, Mr. Secretary Straw, Secretary Jacqui Smith, Mr. Secretary Hutton, Mr. Secretary Paul Murphy, Mr. Secretary Jim Murphy and Paul Goggins, presented a Bill to make provision in relation to policing and justice in Northern Ireland; and to amend section 86 of the Northern Ireland Act 1998.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 62) with explanatory notes (Bill 62-EN).

Apprenticeships, Skills, Children and Learning Bill

[Relevant Documents: The Fourth Report from the Children, Schools and Families Committee, Session 2007-08, The Draft Apprenticeships Bill, HC 1082, and the Government's response, HC 259, Session 2008-09; and oral evidence taken before the Committee on 9 July 2008 on the Learning and Skills Council, HC 960-i, Session 2007-08.

The Seventh Report from the Innovation, Universities, Science and Skills Committee, Session 2007-08, Pre-Legislative Scrutiny of the Draft Apprenticeships Bill, HC 1062-I, and the Government's response, HC 262, Session 2008-09; and the First Report from the Committee of Session 2008-09, Re-skilling for Recovery: After Leitch, Implementing Skills and Training Policies, HC 48-I.]

Second Reading

3.38 pm

The Secretary of State for Children, Schools and Families (Ed Balls): I beg to move, That the Bill be now read a Second time.

Over the past 11 years our education system has been transformed and the lives of children and young people in our country have improved substantially. Over 100,000 more children are now leaving primary school secure in English and maths at level 4, compared to a decade ago. Almost half of young people now achieve five good GCSEs. That compares to just over a third in 1997. Results are rising fastest for pupils in schools in the most deprived areas. More than 3,000 schools have been rebuilt or completely refurbished, nearly 3,000 Sure Start children's centres are open, and more young people than ever before are going on to higher education and university.

By investing in education and working with our many great school leaders and teachers, we have gone from well below average standard to well above average in education in the world. That view is supported by the recent trends in international mathematics and science study in respect of both maths and science.

However, there is still further to go to get to a truly world-class education system. Although the proportion of secondary schools below our basic benchmark has fallen from more than half—more than 1,600—in 1997 to less than a fifth today, we want every school to be a good school. Although the number of exclusions has fallen by 29 per cent. since 1997, some young people are still left on the wrong track after being excluded from school.

Our Sure Start children's centres now reach more than 2.3 million children and their families, but not every family yet gets the support that it needs during the early years. Although we have legislated to raise the education leaving age to 18 and more young people are going to university than ever before, there is more to do to get all young people and adults the qualifications and skills that they need. That is why, building on the progress of the past decade and the vision of our children's plan, the Bill introduces the next stage of radical reforms to guarantee that every school is a good school, to give teachers the support and powers that they need, to provide excellent services for all families in every area and a real culture of early intervention and prevention, and to ensure that all young people and adults get first-class qualifications and skills. All those reforms are vital to our mission to ensure that opportunity and excellence are for all—not just some—young people in our country.

Mr. Tim Boswell (Daventry) (Con) *rose—*

Mr. Graham Stuart (Beverley and Holderness) (Con) *rose—*

Ed Balls: I shall take both hon. Gentlemen's interventions in a second. However, before I do, I want to pay tribute to Lord Dearing, one of our country's great education reformers, who died last Thursday. He made a massive contribution in so many areas, and for successive Governments, on languages, the curriculum and higher education. Right up to the end of his life, he was working with my Department to create academies that specialise in technical education. He will be sorely missed by Members on both sides of the House.

Mr. Boswell *rose—*

Ed Balls: I want to turn to those reforms in detail, but first I shall take the hon. Gentleman's intervention.

Mr. Boswell: I am grateful to the Secretary of State for giving way and I immediately take this first opportunity to echo my party's recognition of the tremendous work done by Lord Dearing.

The Secretary of State referred to participation in higher education, and was boastful about his—or his Government's—record on that. Will he confirm whether the Government stick by the target of 50 per cent. participation for under-30s by 2010? If he confirms that target, how does he reconcile it with the fact that the Government are now capping student numbers?

Ed Balls: I am grateful for the hon. Gentleman's support for my words about Lord Dearing. In my speech I was paying tribute not to myself, but to all the Secretaries of State in the past 10 years who have made the programme. There is a fundamental difference on the issues. On the Labour Benches, we will continue our investment. For 2009-10, and in future years, our commitment is that 50 per cent. of young people will go to university. The Conservative party will not match our commitment, because it wants to cut public spending next year and the year after. That is the difference. There is no cap on student numbers. Our commitment is clear, and the Conservative party's commitment to cuts is also clear.

Mr. Graham Stuart: I wonder whether this is the time for the Secretary of State to share with the House whether he believes that the university of Durham was right to say that official statistics overstate the improvement in educational performance in recent years. Does he believe that Professor Peter Williams, chair of the advisory committee on mathematics education, is right? He said:

"over 20 or 30 years, I don't think there is any doubt whatsoever that absolute A-level standards have fallen".

Is the Secretary of State trying to set up an independent Ofqual today because he accepts those points?

Ed Balls: As I said, the international, objective TIMSS report, which came out only recently, showed that England was ahead of our European partners in maths and

science. There has been no dumbing down of our science qualifications. As to the review of primary education to which the hon. Gentleman referred a moment ago, I should say that we are grateful for that contribution. Jim Rose will reflect on it, as he reflects on other contributions. In my view, it is essential that we have a slimmed down primary education curriculum that focuses on what children and parents want—to have the basics of reading and maths under control when going to secondary school. We have made substantial strides in achieving that in recent years, and we are not going to go backwards and take away the emphasis on the basics. I hope that that is not what the hon. Gentleman would propose.

John Bercow (Buckingham) (Con): Clause 47 concerns the provision of education for persons subject to youth detention. Given that, as the Secretary of State knows, upwards of 60 per cent. of the 11,000 people in our young offender institutions suffer from speech, language and communication problems of an intensity that prevents them from accessing conventional education and training courses, can he say something more than the Bill does about how the Government intend to ratchet up provision for those people?

Ed Balls: I wanted to make some progress and look at the individual reforms in order, but I am happy to answer that particular point. I look forward to hearing the hon. Gentleman's speech later on, and I hope that, if possible, he might be permitted to serve on the Committee. The reforms that we are introducing in the Bill, which build on the work that he has done for the Government in speech, language and communication, are very clear about the fact that we must strengthen our responsibility to young people going into custody and coming out of custody—in particular, through new responsibilities for local authorities in taking forward those young people's education and ensuring continuity of education afterwards.

It is not normal on Second Reading to look forward to amendments, which are really a matter for the Committee, but in recent weeks there has been a debate, which has included contributions from the Special Educational Consortium, on ways in which we could strengthen this part of the Bill. I am happy to say that in Committee we will table amendments to make it clear that the obligations on local authorities to deal with young people in custody will be strengthened. In particular, although it is not possible for all the content of educational statements to continue while a young person is in custody, local authorities and the youth custody estate will have an obligation as far as possible to continue that special focus on those with learning difficulties while they are in custody. That, among other changes, will be very important in ensuring that these clauses have real, detailed teeth. We will also ensure that we say so in our guidance. Those issues will be debated in Committee, but today I am giving an assurance that we will take them forward with great seriousness.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): I am sure that the Secretary of State did not wish to mislead the House in his answer to the hon. Member for Daventry (Mr. Boswell), but would he confirm that the Secretary of State for Innovation, Universities and Skills has announced a moratorium on university places for 2009 and 2010?

Ed Balls: As I understand it, we have funded 10,000 more student places—that is no cap. The question is this: are the aspirations of young people in this country capped? The answer is, not by this Government—we want 50 per cent. of young people in universities. Would they be capped by the Conservatives? The answer is yes, because they will not support our objective; in fact, they would cut the public spending that is needed to ensure that those numbers keep rising year on year in the future. That is the difference between the two parties, and that is the point that I was making in my answer.

I wanted to start my speech by talking about school reforms. As I said, in 1997, 1,600 secondary schools were below the basic benchmark; that figure is now down to just 440, from over half to less than a fifth of secondary schools. We are not satisfied, however, and our national challenge objective is to ensure that we get that number down to zero by 2011. That is why we have provided £400 million of funding and why there is extra support for those schools. Many of them, already high-performing schools that are doing well, will get there without the need for such extra support, but where schools are not on course, we will step in. The Bill challenges local authorities to tackle underperforming schools, but it also gives us the power, where they will not act, to step in and require them to take their responsibilities seriously. We will do so by requiring them to match new investment with new leadership through national challenge trusts and our academies programme.

Over the past 18 months, I have given the go-ahead to 96 further academy projects, of which 43 will replace national challenge schools. We have gone from six university sponsors of academies in July 2007 to 48 sponsors today, and 12 local authorities are now sponsoring academies themselves. These schools are taking a greater proportion of disadvantaged and deprived children than the catchment area would suggest and delivering faster rising results than the average. They are proof that we can break the link between deprivation and lack of achievement. That has not happened by accident, but because we are willing to act and intervene. Since January, we have agreed to 17 new academies, and I can announce today that the Schools Minister and I have given the go-ahead to six new academy projects to replace a total of seven schools, six of which are national challenge schools, in Croydon, Wolverhampton, Sandwell and Bournemouth. I commend the academies programme to the House.

Mr. John Redwood (Wokingham) (Con): As someone who wishes to see more pupils from state schools get to top universities, does the Secretary of State agree with those in such universities who think that some A-levels are more serious and academically rigorous than others, and if he does, will his reforms include getting more of those subjects taught and examined in state schools?

Ed Balls: I was coming to that very point. If we want to raise school standards to ensure that every school can be an excellent local school, it does not just take good leadership and a willingness to intervene to drive change where necessary, but strong inspection and independent auditing of standards. As the House will know, in the spring, we will publish a report card White Paper. Through the Bill, we will strengthen school inspection by allowing Ofsted to produce an annual health check

[Ed Balls]

for all schools and to introduce a new, risk-based approach, which will mean that more attention is focused on schools that need more support, and that there is a lighter touch for higher-performing schools. At the same time, building upon the immediate success of our new independent regulator of qualifications, tests and examinations, the Bill will provide Ofqual with the remit, powers and independence that it needs. It is the job of Ofsted, with greater flexibility, greater powers and much greater independence, as a body reporting directly to Parliament, to ensure that we maintain the quality of standards across qualifications and over time. That is what the Bill will achieve, and I hope that the right hon. Gentleman will support it.

Mr. David Laws (Yeovil) (LD): The Secretary of State will be aware that at a recent Qualifications and Curriculum Authority meeting in September, the chair of the Ofqual committee spoke of the need for a clearer picture of what is meant by maintaining standards when the structure of qualifications changes. Can the right hon. Gentleman tell us what he means by maintaining standards in such circumstances?

Ed Balls: I am not going to do that, because I will leave it to Ofqual. It is an independent regulator of standards, it is independent of Ministers and it reports directly to Parliament. It is clearly its job to ensure that standards are maintained across qualifications and over time. We have to get away from this ridiculous, damaging and draining debate about dumbing down, when, whenever standards go up and teachers and young people have worked hard, some politicians and commentators jump up and say, "This must be because standards have been dumbed down." That is not fair, and it is not right. Rather than my making such assurances about standards, it will be much better when Ofqual, the independent regulator, makes such assurances to the public and to families. I am not going to second-guess its work. That is Ofqual's remit and responsibility, and it should get on with that work.

Mr. Laws: I am grateful to the Secretary of State for his patience in giving way a second time. Given his undoubted enthusiasm for a fully independent Ofqual, will he take up the recommendations of the Select Committee on Children, Schools and Families that it should be allowed to sample cohorts to obtain an objective assessment of what is happening to educational standards over time?

Ed Balls: In the reforms to key stage 3, we are introducing such sampling, and Ofqual will advise us on it to ensure that standards are maintained. However, I am not going to pre-empt the work of the expert committee that is looking at key stage 2 reform. The Bill makes it clear that there is a role for Ofqual as an independent regulator and as the monitor of standards to ensure that standards are maintained in national curriculum tests. Lord Sutherland praised the work of Ofqual precisely because he recognises that its role will be crucial to getting beyond the mess of last year's curriculum tests.

Mr. Graham Stuart: Will the Secretary of State give way?

Ed Balls: No.

I turn to a second point that is essential to the Bill. Strong discipline is vital for effective teaching and learning. Over the past decade, we have made huge progress on improving behaviour. In 2007, Ofsted rated behaviour as poor or unsatisfactory in a third of the number of schools that it had given that rating to 10 years before. Following Sir Alan Steer's review in 2005, we have given head teachers the powers that they need to tackle bad behaviour. In the Bill, we are extending the powers that we have given school and college staff to search a pupil for weapons so that they may search also for drugs, alcohol and stolen property. Alan Steer asked for those reforms to ensure that teachers have the powers that they need so that they can get on and teach in the classroom.

At the same time, we will legislate to build on the work that now involves pretty much all secondary schools, including all academies, working in partnerships to challenge poor behaviour and attendance. We will implement Sir Alan Steer's recommendation that all secondary schools, including academies and pupil referral units, should be part of those partnerships. As will be discussed in Committee, I intend to ensure that those behaviour partnerships report regularly to children's trusts on the work that they are doing together. That work will ensure that we keep exclusions down but that they happen when they are needed, that head teachers have the confidence to use their powers, and that we intervene early to keep young people on the right track and ensure that they are not permanently or temporarily excluded from school.

It is also important that schools have the support of parents. Strengthening the role of parents in schools is an important part of the children's plan, but we also want to ensure that when parents feel that their complaints are not being properly listened to, they have a proper right of resort. In our consultation, parents made clear their view that the opportunity to complain to the local government ombudsman would be welcome, and we are taking that step in the Bill. That is the right approach, and it will be used in a very small minority of cases. I hope that the whole House will support that reform.

Mr. Graham Stuart: If I may, I shall bring the Secretary of State back to Ofqual and its independence. Has he had an opportunity to meet two of the three large examination bodies, which have serious, albeit different, concerns about its independence and its ability to ensure that standards are right? It is not good that those powerful bodies have such doubts about the independence of that important new agency.

Ed Balls: Ofqual is a new agency that has tough powers, and it is important that the examination bodies know that it has teeth and will use its powers when it needs to. It would not surprise me if the examination bodies were concerned, but are they concerned about its independence? In my view, absolutely not. It is a non-departmental body that reports directly to Parliament, and its head is a Crown appointment. It is an independent body, but in the end its independence will be proved by how it undertakes its task and its work. We have already seen that Ofqual is independent, and it will be an extremely important addition to our education landscape.

A decade ago, there were no children's centres. There are now almost 3,000 Sure Start children's centres around the country. The next stage of our reforms is to ensure

that every family can access the support of such centres. That is why the Bill will enshrine in law our 2020 goal of ensuring that there is a children's centre in every community in the coming years. That is the way to ensure that the benefits of Sure Start, which millions of children and families around the country are receiving, are received by all children and families in perpetuity.

Ann Coffey (Stockport) (Lab): Abacus, in my constituency, was one of the first Sure Start centres. Part of its success has been the inclusion of parents in its advisory body. I welcome the establishment of children's centres on a statutory basis, but will my right hon. Friend ensure that their governance arrangements include parents in the wider community so that services are developed in a way that meets the local community's needs?

Ed Balls: My hon. Friend has a great track record and expertise in those matters. If she thinks that that is the right thing to do, I am sure that it is. The details of the proposals will be discussed in Committee.

Every Sure Start will be expected to have a governing body, and we need to ensure that the voluntary sector and the private sector have a proper voice if they are involved in Sure Start, and that parents are also represented. Sure Start is founded on the premise that it starts from the community and from parents' work, needs and interests—indeed, many of our best outreach workers are parents.

It is vital that all services that support children work together effectively to put the needs of children and families first. Sure Start is an example of that. We must build on the excellent examples of services working together across an area through a children's trust. The Bill ensures that every local authority will have a children's trust board, with responsibility for improving the well-being of all children in the area. It will also ensure proper accountability for the well-being of children and young people, and a culture of early intervention and prevention so that all young people, especially those with a special educational need, get the support that they need.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): The Secretary of State knows that on Friday I shall have the privilege of introducing a private Member's Bill—the Autism Bill—with tremendous support from all parties in the House. An integral part of that Bill is the requirement that local areas collate and share data on disabled children as part of children and young people's plan assessments, and take account of autism in the statutory guidance that will accompany the regulations. Will the Secretary of State undertake today that in Committee he will table the requisite amendments, under the Government's imprimatur, to the Bill that we are considering now so that we have legislation that allows local authorities to collate and share the information?

Ed Balls: The hon. Lady has a passion about and an expertise in such matters. We discussed them with the parents of autistic children and adults a few months ago in the House. The Bill that my hon. Friend the Member for Gateshead, East and Washington, West (Mrs. Hodgson) introduced last year—it has subsequently been enacted—provided for recording information about children with special educational needs. It is vital, as part of our Aiming High work, to listen and record the satisfaction and concerns of parents with a disabled child. That includes autistic children. My hon. Friends have written to the hon. Lady about those matters. Second Reading of her Bill is approaching, and it is not for me to say today what the Government will do. However, I have written to the hon. Lady to say that supporting transition and collecting data, and especially ensuring that the needs of families with an autistic child are taken into account, will be central to the work of children's trusts. Indeed, it will be in the statutory guidance that accompanies the children's trust legislation. The children and young people's plan will ensure that the issues that she raises are acted on in every area of the country. I look forward to reading the debates on her Bill on Friday.

Mrs. Gillan: May I press the Secretary of State further? Will he confirm that the statutory guidance that accompanies the regulations will state that autism is to be specified as a category?

Ed Balls: I will not give the details of that statutory guidance today. However, I will ensure that the guidance is drawn up in such a way that it ensures that the needs and interests of families with a child with autistic spectrum disorder are properly taken into account. The children's trusts must be accountable for ensuring not only that services are co-ordinated and that the problems and concerns of a child with a special need are addressed, but that if that does not happen, parents and wider services have somewhere to go to ask why matters have not been tackled effectively. The children's trust is the right place for that and the guidance is the right place to specify what the hon. Lady seeks. I am happy to have a further meeting with her and my hon. Friends to take up the matter in the coming weeks.

I was considering the importance of area-wide accountability for the work of children's trusts. There is a specific problem for families with a special educational needs child, and when children have been or are at risk of being excluded from school. We have piloted several different ways in which to offer alternative provision for young people who are excluded from school. We have done that with the private and voluntary sectors, as well as several different organisations around the country. In this Bill we are legislating further, to improve the provision for young people educated outside the mainstream. Following consultation, we are legislating to reform what will be called short-stay schools, in order to increase local accountability for such pupils and to ensure not only that local authorities have the freedom to act to ensure the right provision in their areas, but that we have the powers to act when we do not think that the provision is good enough. That will be a substantial step forward.

Mr. Nick Hurd (Ruislip-Northwood) (Con): The Secretary of State will recognise the extraordinary work that charities such as Action for Children and Barnardo's do to support some of the most vulnerable children in our communities. How does he respond to those charities' concerns that the Bill does not do enough to help young people from marginalised backgrounds to access apprenticeships—a word that he has not yet used in his speech—and appropriate learning pathways? Also, what assurance can he give about the future of work-based programme-led apprenticeships?

Ed Balls: I am coming to apprenticeships in a second. First, however, let me praise the work being done by Action for Children, the Special Educational Consortium and others to ensure that the needs of children with a special educational need and, in particular, of those young people at risk of getting into difficulties or getting on the wrong track are properly taken into account.

As I have said, we will debate the issue in Committee. We will also propose amendments that will strengthen further what is already a substantial strengthening of the obligations on local authorities, both home and host, to ensure that young people do not fall down the crack, but are supported in their education and have their well-being ensured while they are in custody. The Bill will clarify the responsibility of local authorities to secure a good education for young people while they are in custody and to ensure continuity in their education as they leave custody and are resettled, and, in particular, the responsibility of the local authority to which they return to ensure that their education continues once they are released. We will propose amendments, but we will also back that up with revised statutory guidance for local authorities in the summer.

Angela Watkinson (Upminster) (Con): A moment ago the Secretary of State referred to short-stay schools, which I assume will be taking over from the pupil referral units, for young people with difficulties who are not thriving in a mainstream school. They are termed "short-stay schools", but will he confirm that there will be no cap on a pupil's length of stay, so that they are not reimposed on their mainstream school before they are ready or before they have made sufficient progress?

Ed Balls: The name is being changed because of representations from the sector, which is keen that the word "school" be included, because we are talking about schools, first and foremost. In many cases stays are short, but not always. There is no artificial cap being introduced, and there is nothing in the legislation to suggest that. However, we are keen to ensure that, as part of behaviour partnerships, pupil referral units—or short-stay schools, as they will be—are engaged with other schools to ensure that young people receive the support and the challenges that they need, so that they can keep on track before they reach the point of exclusion. Spending some time in such a school during the week before reaching that point may help young people to keep on the right track and not be excluded. I hope that hon. Members will welcome that when we have a chance to debate the issue in Committee.

In the current economic circumstances, it is also vital to ensure that all young people are equipped to meet the challenges that they face, as the hon. Member for Ruislip-Northwood (Mr. Hurd), who is no longer in his place, said. Achieving that includes staying in education or college, as well as entering an apprenticeship. Last year we legislated through the Education and Skills Act 2008 to raise the education or training leaving age to 18. We also introduced the first set of diplomas, which I believe are the best chance that this generation has to break the old two-tier divide between first-class academic qualifications and second-class vocational qualifications. I am delighted that early feedback on that from pupils and teachers has been good.

Alison Seabeck (Plymouth, Devonport) (Lab): My right hon. Friend is talking about widening opportunities, so will he ensure that all schools support the children's plan and the vision for young people in their communities? Will he also ensure that there are opportunities for all young people from a range of backgrounds to mix when taking up the new diplomas or the other schemes on offer?

Ed Balls: That is what the diplomas do, by ensuring that schools work together with colleges to ensure that the curriculum is interesting and inspiring. We are also extending the duty to co-operate as part of children's trusts to all schools, academies, sixth-form colleges and further education colleges, to ensure that they all work together to make opportunity available to all children and young people in their areas, not just some.

As I said, we legislated last year to raise the education leaving age to 18. This Bill will put in place the requirements, the expectation and the levers for local authorities, working with the new Young People's Learning Agency, to ensure that all 16 to 19-year-olds have the opportunity to stay in education, training or an apprenticeship. Over the past decade, the number of apprenticeships has gone up from 65,000 to 250,000.

The Bill represents the first overhaul of apprenticeship legislation for nearly 200 years. It will put apprenticeships on a statutory basis, and establish the entitlement to an apprenticeship place for every suitably qualified young person who wants one. It will ensure that apprenticeships are of high quality, and that they will benefit young people and employers alike. It will also require schools to provide information, advice and guidance on apprenticeships, when it is in the best interest of pupils to do so. We are backing this with a £1 billion plan.

Mr. Paul Truswell (Pudsey) (Lab): Apprenticeships obviously represent an incredibly important process, but it is important that apprentices should not be used as cheap labour. Will my right hon. Friend look into whether the exclusions from minimum wage legislation that apply to some apprenticeships are really valid?

Ed Balls: As my hon. Friend will know, we have raised the minimum pay for apprentices from £80 to £95; that will come into effect shortly. The vast majority of apprentices already get paid above that level. The national minimum wage is not a matter for me; it is a matter for the Low Pay Commission. This is something that the commission will look at, and we look forward to seeing its reports.

Mr. Willis *rose—*

Joan Walley (Stoke-on-Trent, North) (Lab) *rose—*

Ed Balls: I have already given way to the hon. Gentleman. I will give way to my hon. Friend.

Joan Walley: I welcome the framework for apprenticeships that my right hon. Friend is introducing. However, in Stoke-on-Trent we are finding it more and more difficult to get employers to come forward with apprenticeships. Will he give me an assurance that he will look closely into how we can establish direct public funding for the apprenticeships that we need, in the

public and private sectors, and at how we can achieve the necessary flexibility to ensure that employers can be brought on board?

Ed Balls: There is already substantial investment in apprenticeships. My right hon. Friend the Secretary of State for Innovation, Universities and Skills and I are working together to ensure that we do everything we can to keep young people in apprenticeships and to expand apprenticeships. In fact, we have announced today that the Government will ensure a further 21,000 apprenticeships in the public sector in 2009-10 alone. That will be an important step towards achieving our objective of making apprenticeships available for every young person.

It is also important to equip the whole work force with the skills that they need. The new Skills Funding Agency will offer better support to employers by bringing together all the different adult learning agencies under one roof, and there will be a new right for employees to request time for training. All these reforms are now vital to support employment and our economy. They are also vital to our mission of excellence, not just for some but for all.

Ms Dari Taylor (Stockton, South) (Lab): My right hon. Friend will know that the chemical process industry on Teesside will require 24,000 high-quality apprentices over the next 10 years. Those apprentices will need to have been taught physics, chemistry and maths separately. Will he reassure the House that those subjects will be taught separately in secondary schools, and not just as general science?

Ed Balls: They are being taught separately in increasing numbers. Standards are rising in science, and we now have more young people doing separate sciences. This is all part of the renaissance of science in our country, which is being backed by a massive multi-billion pound investment in science, following 18 years of savage cuts to the investment base under the Conservatives—

Mr. David Willetts (Havant) (Con) *rose—*

Ed Balls: If the hon. Gentleman would like to tell us his views on grammar schools, I shall be happy to take his intervention. It would be a great honour.

Mr. Willetts: I want to ask the Secretary of State about the announcement today of 21,000 new apprenticeships in the public sector. Can he assure the House that these will indeed be new opportunities for young people in new apprenticeships and new posts? Or will this instead involve a redefinition of existing training programmes and courses in the public sector?

Ed Balls: I am happy to give that assurance. These are new apprenticeships in the public sector, and there will be 21,000 more of them from the 35,000 that we are going to deliver with £150 million-worth of spending. That would not be delivered by the Conservative party: while we are expanding spending on apprenticeships next year, the Conservative party wants to cut it. That is the difference, so I am very happy to give the hon. Gentleman the assurance he sought.

Mr. Willis: I would like to draw the Secretary of State back to his earlier comment about careers guidance in schools. One thing that has bedevilled vocational education for decades is the fact that "bright" youngsters do not get any vocational offers within their curriculum package. The Secretary of State made the point that whether or not young people are offered apprenticeships is at the schools' discretion. I urge him to reverse that idea and make it a mandatory requirement that every child, irrespective of their educational ability, is offered an apprenticeship.

Ed Balls: With respect—I hope that the hon. Gentleman will have an opportunity to be part of our debates in the coming weeks—clause 35 makes it clear that there is an obligation on schools to promote apprenticeships to young people. It is most important that the advice and guidance they receive are impartial and objective, but we are building directly into the Bill a requirement to promote apprenticeships because of the particular and vital role we think they will play in extending education for all young people up to the age of 18. As the hon. Gentleman says, in too many schools over past years and decades, apprenticeships have been undervalued, which is why the Bill places a clear duty on schools in that regard—and they will have to honour it; we will ensure that they do not get around it.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): My right hon. Friend knows that the Children, Schools and Families Committee also stressed the importance of all children gaining access to information about apprenticeships. Will he clarify one part of the Bill for me: what does he see as the future for young apprenticeships—those for 14 to 16-year-olds?

Ed Balls: Just a few weeks ago, I met some young apprentices in Derby and saw how learning on a young apprenticeship as part of their key stage 4 curriculum was inspiring them to work hard for their maths and English exams as well. I think that young apprenticeships are brilliant and that they are a very important part of our pre-16 learning. I would like to see them expanded as part of our goal to get more young people staying in education up to the age of 18.

What, then, is the position of Her Majesty's Opposition on all these important reforms? Far from supporting our drive to expand apprenticeships and far from bringing forward investment in school buildings to help to support our economy now, the Conservatives want to cut our school building programme and cut our investment in apprenticeships in the coming year. That is no surprise to us, because they continue to oppose all the major educational reforms in this Bill—and, indeed, in last year's Bill. Education, training or an apprenticeship for all to 18—the Conservatives oppose these things. They oppose our new diplomas, as they oppose our policy of fair admissions for all parents. On providing a children's centre in every community, the Conservatives want cuts. They oppose our National Challenge programme and they have undermined our academies programme.

What can we expect to hear from the shadow Education spokesman? Will he tell us where the £4.5 billion of cuts to the school building programme will fall? I doubt it. Will he tell us more about half-baked gimmicks like his plan to force 11-year-olds who do not make the grade to

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stay on for another year in primary school? Probably not. Are we likely to hear more details about his Swedish model? *[Interruption.]* The hon. Member for Surrey Heath (Michael Gove) is keen to be introduced to the Swedish model, but it is unfortunately not something that I can arrange for him today. Will he tell us about the billions of pounds in cuts that his Swedish model would mean? Will he tell us that there will be no intervention to raise standards in underperforming schools? Will he tell us that surplus school places will be springing up everywhere—not where they are needed, but where some have the loudest voices? Will he tell us that instead of local accountability, there will be a lottery for parents and a hugely centralised bureaucracy? No, he will not tell us any of those things.

Instead, we will hear more of the hon. Gentleman's usual debating society rhetoric, without any substance at all. In recent debates, he has called me

"an exam candidate who has not done his homework"—[*Official Report*, 22 July 2008; Vol. 479, c. 683.]

and

"a gang member who wields a weapon but only harms himself."—[*Official Report*, 11 December 2008; Vol. 485, c. 775.]

It is a pity that he has not taken his own advice.

Just a few years back, the hon. Gentleman wrote in *The Times*:

"The Conservatives' core problem is their failure to grasp that their introspective Westminster pranks, whether hyperactive plotting or hyperbolic attacks on the Government, only confirm the impression that they are playing a self-interested game rather than setting out a coherent alternative."

Never has a truer word been said. He went on:

"For the Conservatives to return to power, the party must be seen to have learnt from its mistakes, rejected the arrogance, cynicism and pocketlining of the Major era".

For his punch line in his article, he said:

"Ken Clarke is sadly ill-equipped to do that job. As John Major's tax-raising Chancellor, British American Tobacco's handsomely remunerated director, the euro's voter-rubbishing cheerleader and the tireless hammer of nurses and teachers, Ken carries more tainted baggage than a mule on Colombia airways."

We all know that the right hon. and learned Member for Rushcliffe (Mr. Clarke) likes a smoke, but to compare him to a Colombian mule seems a bit unfair, even for this shadow Cabinet.

The fact is, as the hon. Member for Surrey Heath has said, that the Conservatives are still playing a self-interested game, rather than setting out a coherent alternative. The truth is that parents do not want a schools lottery, cuts to the school building programme or massive centralisation. They want every school to be a good school, standards to be guaranteed, discipline in the classroom, early intervention, more apprenticeships, and opportunity and excellence—not just for a privileged few, but for all. That is what will be delivered by the Bill. It is radical. It is right. It has public support. I commend it to the House.

4.22 pm

Michael Gove (Surrey Heath) (Con): May I say how much I enjoyed the Secretary of State's speech, particularly the last few moments? There were some brilliant lines in there—uncharacteristically witty, if I may say so. I do not know who his new scriptwriter is or what he is being paid, but it is clearly worth it.

As ever, the Secretary of State laid out his case with characteristic pungency and no lack of political verve, and I note his deliberate words of dislike for debating society rhetoric, so I shall seek to ensure that in what remains of our debate on Second Reading we concentrate on the detail of the Bill. What a lot of detail there is. This is a massive piece of legislation that covers a wide variety of areas. We hope to expose it to appropriate scrutiny when makes its way into Committee.

Interestingly, the Secretary of State is already introducing the idea of amendments—on Second Reading—before we have even reached consideration in Committee. That provokes two questions in our mind. First, is the Bill, as it were, oven-ready, or is the Secretary of State running to catch up? What does that say about the competence and grip that he brings to his Department? Secondly, why is the Bill not in such condition on Second Reading that we know precisely what the Government intend to bring before us? Why do they need even now to say that they will table amendments in Committee, but cannot tell us what those amendments will be, because they are not in the Bill? We cannot have effective scrutiny and an effective debate on Second Reading if there are, as the Secretary of State himself acknowledged, aspects of the Bill that he considers imperfect and believes he needs to change, but which he will not introduce until the Bill is considered in Committee.

As I said, we already have a large Bill covering a wide variety of areas. Some of those are naturally ones where we believe it right to legislate and we sympathise with the Secretary of State's intentions, and indeed with some of the specific provisions in the Bill. First, I want to discuss the creation of Ofqual, which is the new regulator of exam standards. I say new, but it has already been in existence for some time. However, the Bill will put it on to the correct statutory footing for the first time. We wholeheartedly welcome the creation of this regulator. That is because the idea of setting up a separate exams regulator was proposed in the House by my right hon. Friend the Member for Witney (Mr. Cameron) and supported by my hon. Friend the Member for Ashford (Damian Green). I believe that it has also received the support of the hon. Member for Yeovil (Mr. Laws).

The idea of an independent regulator has widespread support because there is widespread concern about standards. The Secretary of State is quite right to say that teachers are better than ever, and he is quite right to acknowledge that our pupils are working harder than ever, but there is real concern about the rigour of the examinations for which this Government are responsible.

The Royal Society of Chemistry—not an Opposition claque, but a respected scientific body—has said that teenagers who, when faced with today's examination papers, get 35 per cent. of the answers correct would have got only 15 per cent. correct if they were dealing with equivalent papers from the 1960s. British Council researchers—paid Government employees—have pointed out that candidates who would get a C when sitting an A-level examination in Hong Kong get an A here.

Peter Timms of the university of Durham, an independent academic beholden to no one, has shown that a student who achieved an E in A-level maths in 1998 would have achieved a B in 2004. Duncan Lawson from the university of Coventry, another independent academic, has shown that students entering university

in 2001 with a B at maths A-level displayed a level of knowledge that 10 years earlier would have been displayed by a student with a grade N, or fail. Indeed, students who failed the maths A-level in 1991—failed it!—performed better overall in tests of mathematical competence than those who secured a B pass in 2001.

Two other academics, Jonathan Ramsay and John Corner, analysed maths papers from the 1960s to the present day. They found topics that used to be set for 16-year-olds in the old CSE exams cropping up in A-level papers. Their report observed that

"finding areas and volumes using calculus, which used to be examined at 'O' level, are now examined in 'A' level pure mathematics… but it is the 'O' level questions which are harder."

A team of mathematicians led by Professor John Marks also studied GCSE and O-level maths papers over time, from 1951, 1960, 1970, 1980, 1990, 2000 and 2006, covering periods of both Labour and Conservative rule. They found:

"It is now possible to achieve a grade C in GCSE mathematics having almost no conceptual knowledge of mathematics. This is due in part to the simplicity of the questions and the decline of algebra, geometry and proof within the papers."

Their report also observed:

"It has become substantially easier to achieve a grade C since…1987...In 1990 the percentage mark on the Higher Tier"—

the decline pre-dates the arrival of Labour Secretaries of State: we are absolutely clear about that—

"for a grade C was just over 50 per cent. However, in 2000 and 2006 the required percentage mark for a grade C had fallen to about 20 per cent; this mark could be attained by answering correctly the first four questions on Paper 5 and Paper 6".

Indeed, we discovered that in 2004, GCSE students taking Edexcel's version of the exam could secure an A with a score of just 45 per cent., while one of 22 per cent. secured a C. Only 0.7 per cent. of the pupils who sat the exam failed to secure a C or better. The need for Ofqual is clear if we are to restore confidence in our examinations.

Mr. Graham Stuart *rose—*

Michael Gove: If Members want to hear about the questions in those papers, I shall turn to them shortly. First, I shall be more than happy to take an intervention from my hon. Friend.

Mr. Stuart: Does my hon. Friend agree that one of Ofqual's first jobs as the central regulator will be to conduct research, look at standards over the decades, and provide a definitive answer so that we need not engage in the sterile debate about standards that we must now undergo every year? What we need is an agreed baseline on which all of us can base policy. That will lead to proper policy, rather than the mess created by this Government.

Michael Gove: I entirely agree with my hon. Friend. I am not in favour of sterile debates. Indeed, I am not in favour of sterile anything. I prefer fruitful debates, and fruitfulness and fecundity all round. I am glad to note that the Under-Secretary of State for Innovation, Universities and Skills, the hon. Member for Birmingham, Erdington (Mr. Simon), agrees with me. We are back to the Swedish model. I should point out, incidentally, that the Swedish model was first introduced to the House by the former Prime Minister, the former Member of Parliament for Sedgefield. May I say that I hope he is enjoying—[Hon. Members: "Steady!"]—her popularity in all parts of the House even now?

My hon. Friend is absolutely right to say that Ofqual must be engaged in this debate. All the research I quoted earlier was generated by independent academics concerned about what was happening. Of course there are other voices, from Ofqual and the Government, that take a different view, and that is why it is vital that Ofqual leads the debate in order to provide the confidence that parents, teachers and all of us have a right to expect.

In the interests of having that open debate, it is vital that we all know what our children are being asked in examinations. I am sure that, whether or not they have children going through the state education system, Members are concerned about the sorts of questions that are set in GCSE science, for example. We know that 16-year-olds sitting GCSE science are asked questions such as the following. They are told that for hundreds of years scientists have found information about the stars using one of four options—it is a multiple-choice exam. Those four options are microscopes, space probes, seismometers or telescopes. Given that this information has been around for centuries, the answer should be obvious.

It is also the case that in GCSE science papers people are told some answers in the questions. In one question, for example, they are told that it takes Jupiter 11.9 years to orbit the sun and then they are asked whether the time taken for Jupiter to orbit the sun is 1.9 years, 29.5 years, 65.4 years or 11.9 years. The answer is there in the examination paper. It seems to me that any of us—*[Interruption.]* I happily grant that some of us are still capable of making mistakes even when the answer is staring us in the face, but the point here is that in order to have confidence in mathematical and science standards, we must be sure that the examinations our children sit stand comparison with the most rigorous in the world. It worries me how well other countries are doing in comparison with us: the Asian countries are pulling ahead of us, as are countries such as Finland. We need to be able accurately to ensure that exam standards are kept to a high standard over time—and, ideally, that we can hold our own with the world's best.

It is worrying in this respect that the first intervention from Ofqual has been to force examination standards downwards. Last summer, one examination board, AQA, was specifically ordered by Ofqual to make an exam easier by lowering its pass mark for a C grade. It seems to me entirely wrong that the first intervention by a body that is charged with restoring and maintaining confidence in exam standards should explicitly be to make exams easier to pass by lowering pass marks.

Kelvin Hopkins (Luton, North) (Lab): I am pleased that the hon. Gentleman has mentioned Finland as a good example of an education system that succeeds, because it has a thoroughgoing, 100 per cent. state comprehensive system. Will he advocate that that should be applied in Britain?

Michael Gove: I certainly believe that what we need is more good comprehensive schools. One of the striking features of Finland's education system—the feature that is crucial to its success—is the quality of people

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entering education, and specifically the quality of people entering primary and secondary teaching. Its teachers are drawn from the top 10 per cent. of graduates. In the spirit of bipartisanship, I should add that the Government's support for the Teach First programme, for example, and the efforts Lord Adonis made when he was at the Department to ensure that more people from top-performing universities with high-level qualifications entered teaching were right. We will do everything we can do to support such steps.

However, it is important not only that we get good people into teaching, but that we know that the exams are of a high quality, and, as the hon. Member for Yeovil pointed out, it is worrying that Kathleen Tattersall herself, the current chair of Ofqual, has said she is not clear about how standards should be maintained over time. The Secretary of State was reticent about the role that he has, but I understand that, under clause 138 of the Bill, he has the right to intervene to specify minimum standards. He can lay out in a memorandum of understanding to the chair of Ofqual exactly what he may require in any examination. Independence is important for any regulator, but it is quite right for the person properly elected and chosen as the Minister to lay out certain minimum requirements, and I hope that in the course of debate in Committee the Secretary of State or one of his ministerial colleagues will have a chance to give us further and better particulars on what exactly he intends to do to ensure that there are certain floor standards in examinations.

Mr. Laws: Can the hon. Gentleman clarify the position that his party intends to take on how independent Ofqual should be in relation to standards? He will know that the Government have said that Ofqual's role is not to monitor education standards as a whole, but to monitor the existing qualifications and assessments. Is that his position also, or does he envisage a wider role for Ofqual?

Michael Gove: I notice that the Secretary of State looks curious. I too find the question curious, because it lacks the acuity that I normally associate with the hon. Gentleman. I do not wish to give Ofqual a broader remit than that outlined in the Bill: I just want a degree of specificity about the role that the Secretary of State can properly have to be laid out in the Bill. If the hon. Gentleman feels that the Bill gives the Secretary of State too much power, that would be interesting.

Mr. Laws: I am interested that the Secretary of State is amused by the question, because I was citing the Government's response to the Select Committee's report. As I understood it, the Government were saying that they were not willing to allow Ofqual to use its own devices—for example, sampling mechanisms—to determine what had happened to standards. Instead, the Government envisaged the much narrower role for Ofqual of simply policing the existing qualifications. Does the hon. Gentleman envisage the narrower role or the wider role?

Michael Gove: That is genuinely helpful. I do not believe that a wider role is necessarily required, but it is important that we ascertain in Committee and in any secondary legislation that might be introduced exactly how Ofqual might operate. It is certainly the case that I believe that, if necessary, Ofqual should have the independence to commission research—indeed, it has that power under the Bill—to embarrass a Government who have fallen down in a policy area, or to show up examination boards and qualification providers that are not doing their jobs properly. I am encouraged by what some of the examination boards have been saying about Ofqual using its powers more vigorously to that end.

Mr. Sheerman: The hon. Gentleman has given the House some worrying examples of people who think that standards have slipped dramatically over recent years, but many people have given evidence to the Select Committee that the issue is more complicated and that standards have been maintained. I say that because of the concern that students, and their parents, are told every summer that the qualifications that have been achieved with great hard work are worth nothing. We are in danger of falling into that trap even though the evidence given to the Committee by the QCA—which is doing a responsible job, and I have not noticed it being bullied by the Minister—was that standards are being maintained.

Michael Gove: I entirely take point made by the Chairman of the Select Committee. It is because I want to give parents a degree of confidence that I believe that it is right to create this regulator. We support that aspect of the Bill.

Mr. David Chaytor (Bury, North) (Lab): If the hon. Gentleman really believes that the examples that he quoted give an accurate picture of school standards, does it not follow that that must feed through into the universities? How does he explain the vastly increased numbers of young people going to university, and does he believe that those graduates are less well qualified that previous generations of graduates?

Michael Gove: It is interesting that the hon. Gentleman mentions universities, because I am worried by the extent to which universities are laying on remedial teaching for students taking mathematical, science or engineering degrees. For example, Imperial, one of our best university colleges, has had to lay on remedial lessons for some of the finest students from our state and independent schools. I am all in favour of increasing participation and getting more people into university, and I also believe—as I said earlier—that students are working harder than ever. It is important that we do everything that we can to encourage and celebrate achievement wherever it exists, but it is also important that we can be sure that an examination continues to be worth what it is commonly understood to be worth.

The Minister for Schools and Learners (Jim Knight): If the hon. Gentleman thinks that it is important to celebrate the success of students, why did he not celebrate the success of our young people aged 10 and 14 who did the best in Europe in the Trends in International Mathematics and Science Study? Instead, he trotted out some line about Kazakhstan.

Michael Gove: Kazakhstan did better than us, and I thought that was worrying. If the Minister is relaxed about that, it reflects curiously on him, because he is

normally a tiger on standards so I would have thought that he would be worried. In addition, as he knows, many high-performing European countries, including Flemish Belgium and Finland, were not in the study, and as he also knows a, welter of other studies, including PISA—the programme for international student assessment—tell a very different story about what is happening. It is important to ensure that we have a degree of independent corroboration, which is why I support the introduction of Ofqual. It is natural that the Minister should choose statistics that flatter his Government's record; his predecessor the Minister for School Standards—now the Foreign Secretary—always quoted from PISA when it appeared to flatter the Government, but when PISA tells a different story, it is no longer flavour of the month or year in the Department. That is entirely understandable and I can appreciate why Ministers do it, but it is why we need Ofqual.

Mr. Chaytor: To return to the point about graduates, is the hon. Gentleman saying that today's graduates are less capable than his generation of graduates?

Michael Gove: Absolutely not. As well as welcoming the creation of Ofqual, I welcome the provisions on Ofsted and the Government's inspection regime. I specifically welcome the relaxation of the Ofsted regime for good schools and the more risk-based approach to their regulation. It is something we advocated 18 months ago and I suspect that a similar idea was coursing through the Government's bloodstream, so it is good to see it reflected in the legislation.

I also welcome the Secretary of State's proposals for the reform of what we shall no longer call pupil referral units. Again, change and reform in the area was proposed by my right hon. Friend the Member for Witney, who made it clear that it was important to have first-class alternative provision for children who have been excluded from school. Exclusion is a last resort but it is crucial as one of the weapons that heads need to maintain good order, and it is just as crucial that we have high-quality provisions for pupils who have been excluded.

The suggestions being made around the Bill and in the Secretary of State's written ministerial statement last year seem to us to make good sense. It is important to go beyond local authorities and get alternative suppliers into the business of creating what will be the alternative provision of the future—the short-stay schools to which the Secretary of State referred. Furthermore, in Committee, we shall do everything possible to support the Secretary of State's wish to improve the education of children and young people who are in custody.

On the subject of looking beyond local authorities for organisations that provide a great service, we support the direction of travel in the Bill on child care. The private and voluntary sector provides much pre-school care and education to a high standard. The early years are crucial and we welcome the broad extension of the entitlement to free care for three and four-year-olds that the Government have brought forward. We specifically welcome the provisions in the Bill to ensure equity in funding between the maintained sector and the private and voluntary sector in the provision of nursery education and child care. It seems to us that a more level playing field is the right way to proceed.

Ms Dari Taylor: If the hon. Gentleman is saying that pre-school support and nursery care are so important why are we left with the statement that

"David Cameron has pledged to cut £200 million from the Sure Start budget every year—the equivalent of closing one in five Children's Centres across the country"?

The absolute fact is that two centres in my constituency are now under threat, so I should appreciate hearing from the hon. Gentleman.

Michael Gove: The hon. Lady, for whom I have great respect and affection, asks "Why am I left with this statement?" The reason why she is left with that statement is that the Labour Whips office cannot find anything better to give her, which is a great pity and a disservice to her. The truth is that we will match every penny that the Government are committed to spending in the Department for Children, Schools and Families budget. We shall not cut Sure Start at all; we support provisions to ensure that Sure Start children's centres are put on to a statutory basis. We have specific concerns that the Government have failed to ensure that access to Sure Start is spread as equitably as possible. We are concerned by the work of the National Audit Office that shows that existing Sure Start children's centres have failed to reach some of the most excluded individuals in our society, which is why we support an extension of the health visitor programme and the restoration of universal health visiting as a way of getting children—especially those in need—into Sure Start. That is what we aim to support.

Ed Balls: The last time we discussed these matters, the Opposition's position was that although they would protect the schools budget in 2009-10, they would cut the non-schools budget by £200 million. Does the Conservative spokesman's statement suggest that he has an exemption from next year's cuts, and has the shadow Department for Innovation, Universities and Skills team been left to pick up the tab?

Michael Gove: There is no need for the Secretary of State to ask me that when he could have rung me at any time in the past month or so to find out the truth. For quite some time now the Labour party has argued that we would cut the non-schools part of the Department for Children, Schools and Families budget, but we made it clear that the DCSF budget is ring-fenced; the Opposition will match the budget that the Government have set. [Hon. Members: "You've got it wrong!"] No. It is understandable why, in his partisan zeal, the Secretary of State should have misunderstood, but I hope that he will reassure his colleagues in the Labour party, and voters who may have received Labour party press releases about the future of children's centres or anything else, that whatever else may change if the Opposition take over, funding for DCSF provision will not. His support in reassuring people and ending scaremongering would, as ever, be greatly appreciated.

Ed Balls: It was interesting to find out that when the Leader of the Opposition said that the schools budget would be protected, he in fact meant the DCSF budget. Can the hon. Member for Surrey Heath (Michael Gove) give the same assurance for 2010-11? Also, am I on to something in suggesting that the problem has been transferred to the Opposition's plans for the 2009-10

[Ed Balls]

DIUS budget? The Leader of the Opposition was very clear about the multi-billion-pound scale of the cuts in 2009-10; if the axe is not to fall on DCSF, it sound like bad news for DIUS.

Michael Gove: I mentioned the Secretary of State's partisan zeal earlier. Having found that one of his foxes has been shot, he is anxious to find another. However, if he had paid attention to what my right hon. Friend the Leader of the Opposition said, he would not have gone down this particular route. I know that he is restless in his search for dividing lines. I remember the interview that he gave to the *New Statesman* when he was just a humble Back Bencher—or at least a Back Bencher: he said then that he had had enough of consensus in education policy, and wanted to get back to good old-fashioned dividing lines. As I say, he is desperate in his search for one.

Mr. Parmjit Dhanda (Gloucester) (Lab): There does seem to have been something of a volte-face in the Opposition's policy, but if that is the case, the hon. Gentleman will be aware that Sure Start also requires other Departments to play a role, not least the Department for Work and Pensions. Is he making further commitments for other Departments to ensure that Sure Start continues to be funded in the same way? Will those Departments have to ensure that funding goes into Sure Start, too?

Michael Gove: I take the hon. Gentleman's point. We are committed to ensuring that we fully support Sure Start children's centres. That is why I said that we are glad that there is to be statutory provision for them in the Bill. That is why I mentioned, in the context of the question asked by the hon. Member for Stockton, South (Ms Taylor), that we are anxious to ensure that more people use the centres. That is why the Department of Health is extending the provision of health visitors. If we were intent on allowing Sure Start children's centres to wither on the vine, to be underfunded, or to be undercut or undermined in any way, we would not have made those commitments.

Jim Knight *rose—*

Michael Gove: I would like to make a bit of progress, but of course I give way to the Minister.

Jim Knight: I am most grateful to the hon. Gentleman, who is being extremely generous, both with his time and in giving clarification. I note that he said that we could have picked up the phone; we did write to him and ask him for clarification on the issues, but he never replied. While he is clarifying matters, perhaps he could tell us whether he is still committed to the £4.5 billion cut to the Building Schools for the Future programme that he set out in his policy document last year.

Michael Gove: I am given to understand by an hon. Friend that the Minister did write to me—*[Interruption.]*—as did the Secretary of State. However, my internet provider has a spam filter, which means that junk mail is automatically excised, so anything that emanates from the Labour party or DCSF's special advisers automatically find itself in the bin. On Building Schools for the Future, as the now right hon. Minister for Schools and Learners knows, we are committed to ensuring that every penny that is spent on building schools remains there for school buildings.

Mr. Redwood: Does my hon. Friend agree that one of the problems with the Government's approach is that they think that it is the sum of money, rather than how one spends it, that matters? Will he promise me that when he is in office, he will make sure that we spend it an awful lot better than they do? They waste so much of it on the quangocracy.

Michael Gove: As ever, my right hon. Friend is bang on the button. Talking of quangocracy will inevitably draw the attention of many hon. Members to the fountain of quangos created in the Bill, which I shall shortly turn to. First, I shall say a few words about apprenticeships.

I welcome the Government's commitment to increasing the number of apprenticeships. Again, that idea was pushed first by the Opposition, most vigorously and eloquently by my hon. Friend the Member for Havant (Mr. Willetts), and also by my hon. Friend the Member for South Holland and The Deepings (Mr. Hayes). My hon. Friend the Member for Havant has been arguing that we should refocus the Train to Gain budget in order to generate an extra 100,000 apprenticeships.

I noticed that the Secretary of State said that the Bill was the first legislation on apprenticeships for 200 years overall, but in 1994 Lord Hunt of Wirral, who was then the Secretary of State for Employment, created the very idea of the modern apprenticeship—an idea that was derided at the time, when the Labour party was in opposition, only subsequently to be adopted by it. I am glad that the Government have seen the merits of Lord Hunt's proposal. It is only a pity that there is a gap between the rhetorical claims that they make for their apprenticeship scheme and the achievements on the ground.

In 2003 the Prime Minister, as he then was not, said that there would be 320,000 apprenticeships by 2006. The reality was that there were only 239,000. Nothing abashed, in 2007 he said that he would double the number to 500,000, but the next year the total fell by 13,000. Figures from August to October in 2008 apparently showed an increase, but if we dig below the figures, we see that the increase is entirely due to an increase in the number of apprenticeships for people over 25. The number of apprenticeships open to those who were 16 to 18 or 19 to 24 fell.

Overall in the past year we have seen a fall in the number pursuing level 2 apprenticeships, from 56,000 to 49,000, and a fall in the number pursuing level 3 apprenticeships—those that would be understood as full apprenticeships in European countries—from 27,000 to 24,000. Overall the fall is between 7 and 12 per cent. in the number pursuing apprenticeships. In construction, one of the areas where industry has been most engaged with the apprenticeship programme, the fall has been more than 30 per cent. in the past year—more than 6,000 apprenticeships gone.

I note that the Secretary of State said that there would be a new requirement for Building Schools for the Future contractors to help fill that gap, but that provokes the question to what extent those contractors were falling down on the job beforehand. I suspect that

many of those contractors were those who were shouldering their responsibilities to take on apprenticeships. It would be interesting to know the precise estimate of the additional number of new apprenticeships that will be created by the requirement that the Secretary of State is imposing.

Ed Balls: The answer is 1,000 more apprenticeships by the end of the next financial year.

Michael Gove: I am grateful to the Secretary of State, but that still leaves us 5,000 down on the number of apprenticeships in construction. The fall in the number of apprenticeships at level 3 is particularly worrying. We are training fewer people at level 3 than we were a decade ago. As the House of Lords Economic Affairs Committee—an independent Committee—pointed out, most of the increase in apprenticeship numbers

"has been as a result of converting government-supported programmes of work-based learning into apprenticeships."

I have nothing against Government-supported programmes of work-based learning, but I have everything against a Government who attempt to massage figures and manipulate names in order to try to paint their record in rosier colours than it deserves.

We broadly support the principle of creating an entitlement to apprenticeships and the way in which the Government are going about encouraging schools to offer a wider range of options to students, but the Government are using the Bill and the declaration of an entitlement as a way of covering up their failure to deliver over time. It is a similar approach to the one that they are taking over the child poverty Bill. They are attempting to enshrine in statute a commitment to eliminate child poverty by 2020, as a way of distracting from the fact that this year we will see that progress towards the interim goal in 2012 has moved backwards. It would be better if the Government were honest about their failures, because then all of us could work with them, as we sincerely wish to do, in order to achieve the noble goals that they occasionally articulate.

Ed Balls: Shameful.

Michael Gove: It is indeed shameful that we are moving back, but we are delighted that the Government, whenever they want to work with us, continue to work with us. At present one of the problems—*[Interruption.]*

Mr. Deputy Speaker (Sir Michael Lord): Order. It would be helpful if any interventions were made in the normal way.

Ed Balls: I was saying that the hon. Gentleman should apologise for the fact that between 1979 and 1997 we had the biggest rise in child poverty of any European country. He should praise the Government for the fact that since 1997 we have had the biggest fall in child poverty of any European country. We are very proud of that record; the shame and apologies should come from the Conservative party.

Michael Gove: That intervention can stand without my saying anything more. It stands in its own right as a reflection of the approach that, sadly, the Secretary of State has taken to an attempt to be constructive.

Mr. Boswell: May we go back to a point touched on a little while ago? The Secretary of State was saying that there were 1,000 additional apprenticeships to be made available in the construction industry. Does my hon. Friend not agree that in normal economic circumstances the annual demand for new labour in the construction industry equates to some 80,000 people? Even if the Government's aspiration could be achieved, could it be anything like commensurate with our need for skills?

Michael Gove: My hon. Friend makes a very good point. I am not against the additional provision of apprenticeship places as a result of imposing the requirement on Building Schools for the Future contractors. I do say, however, that given the drop in the number of apprenticeships in the construction sector, the numbers do not begin to match the scale of what we need. My hon. Friend made that point very effectively.

One of our other problems with apprenticeships overall is that we inevitably rely on the private sector to generate apprenticeship places. However, over the years it has become increasingly difficult for private sector concerns to supply those places. In the Green Paper on skills that my hon. Friend the Member for Havant produced just a few months ago, he helpfully listed every private sector provider's nine barriers to hiring apprentices. They included the complexity of the inspection regime, of the quality assurance scheme, of the registration scheme, of the certification scheme, of the funding structure, of the paperwork and of the self-assessment process.

More and more people who wanted to provide apprenticeships were failing to do so, and that is one of the reasons why there has been the sad diminution of numbers that I mentioned earlier. We Conservatives do not want to add unnecessarily to that bureaucratic burden. As we scrutinise the Bill, our central aim will be to make sure that we do not add to the bureaucracy in such a way as to make it more difficult to do the right thing.

Kelvin Hopkins: The hon. Gentleman has talked about the private sector providing apprenticeships. Is it not a fact that, if we go back 30 years, the public sector was a major provider of apprenticeships? The diminution of the public sector under successive Governments has been a major factor in minimising the number of apprenticeships.

Michael Gove: It is an interesting issue. The hon. Gentleman will be aware of the fact—he may lament it—that there used to be significant industrial concerns in the public sector that are no longer there. If he was alluding to the decline in the number of apprenticeships in many of those industries, I should say that that pre-dated privatisation. If he was alluding more broadly to a decline in support for apprenticeships, we have to look to a number of areas to discover why the private sector has reduced the number of apprentices that it is taking on. One crucial factor is the bureaucratic burden that many otherwise well-intentioned private sector concerns now face.

Mr. Sheerman: Will the hon. Gentleman give way?

Michael Gove: I am going to try to make a little progress.

Mr. Sheerman *rose—*

Michael Gove: All right; the hon. Gentleman is, after all, the Chair of the Children, Schools and Families Committee.

Mr. Sheerman: The Select Committee took evidence on the number of apprentices, so it is important that the hon. Gentleman should put on the record where he gets the stats from. It will be important for the Committee to compare the stats that it has been given with those that the hon. Gentleman has just given the House.

I should say that one of the greatest suppliers of great apprentices over many years has been the Ministry of Defence and the armed forces. We should be proud of their apprenticeship record, which stretches back a long time.

Michael Gove: The figures come from the Government and the House of Lords Economic Affairs Committee. I entirely associate myself with the words that the Select Committee Chairman has just uttered about the armed forces. I completely agree with him.

I want to talk about further education; inevitably, one of the Bill's purposes is to implement reform or change in the FE sector. Further education has been a success for many years, since FE colleges were liberated from local authority control by a previous Conservative Government. Unfortunately, in recent years this Government have piled more bureaucracy on the sector through the Learning and Skills Council. As we all know, participation in further education has diminished.

The Government's answer to more bureaucracy is another bureaucratic reorganisation. They are going to replace the Learning and Skills Council with the Skills Funding Agency and its chief executive, and a sub-quango, the National Apprenticeship Service, as well as with another quango, the Young People's Learning Agency. In the Bill and supporting material, the Government described the SFA as "streamlined" and the YPLA as "slim". We all know that they will never launch a new quango saying, "This is another bloated bureaucratic behemoth", but when they go to such trouble to say that it will be slim or streamlined they are clearly desperately worried about the new extent of bureaucratic compliance that they will be requiring of all the organisations that have to deal with these quangos. Further education principals will have more bodies to report to, more circulars to read and more meetings to attend.

Mr. Boswell *rose—*

Michael Gove: I am sure that my hon. Friend will add to that point.

Mr. Boswell: I am grateful to my hon. Friend, who has been most generous with his time. Does he remember that the argument that Ministers put to this House when they set up the Learning and Skills Council, on the basis of a very dodgy prospectus and figures, was that it would result in bureaucratic streamlining and a saving in expense, and has he any evidence that that actually took place?

Michael Gove: Absolutely none, and I fear that this reorganisation may lead only to greater bureaucratic overload. Four further education colleges will now be in an unfortunate position whereby they find that local authorities will be the strategic commissioners of education for 16 to 19-year-olds. However, those local authorities will not have a free hand but will be tied by operating together on a sub-regional level. Their spending in operating at a sub-regional level will be monitored by the YPLA. they will have to negotiate the funding for those over the age of 19 with the SFA, and if they offer training for apprenticeships they will have to liaise with the SFA's sub-quango, the NAS. Even though the national LSC has gone, local authorities will still have to deal with nine regional learning and skills councils. That is because those nine regional councils, which replaced the 47 sub-regional LSCs, were created only five months ago, last September, and the Government cannot afford to get rid of them.

While this massive bureaucratic edifice has been constructed, we have found on the ground that the real building of improved facilities for students has stopped because the Learning and Skills Council has placed a moratorium on construction. There will not be a Member in this House who does not have constituents at a further education college that is affected by that moratorium. I am myself in the unfortunate position whereby improved provision for sixth-formers in my constituency has been affected by that moratorium.

The Secretary of State for Innovation, Universities and Skills (Mr. John Denham): I have resisted intervening about a number of tendentious facts and claims uttered by the hon. Gentleman in the past half hour, but will he withdraw his claim that there has been a moratorium on construction, and will he confirm that the full £2.3 billion of further education capital budget is going to be spent, as I have promised to this House? Future schemes are currently being assessed for the pipeline, but no construction has been halted. He should not come to the House and claim that it has when he knows very well that that is not true.

Michael Gove: I have listened to what the Secretary of State says, but he should visit Thomas Tomlinscote school in my constituency to explain why they have received correspondence telling them to terminate their plans for construction. If there is absolutely nothing to worry about, why has he appointed Sir Andrew Foster to investigate the situation? Why get a Sherlock Holmes to investigate quango crimes if no crimes have been committed?

As well as being concerned about bureaucracy in the further education sector, we have similar concerns about children's trusts. We all want better inter-agency working and recognise that when it comes to child protection, welfare and support it is important to get all the organisations with an interest working better together. However, it is clear that children's trusts have not fulfilled the high hopes invested in them. The case of baby P proves that. The Secretary of State for Children, Schools and Families took firm and effective action when the joint area review report was brought to him; I pay tribute to him for that. However, there was already a children's trust in Haringey and it did not prove to be the effective preventive institution that we would all have hoped that it might be.

There is a potential for confusion in the way in which children's trusts are being set up—for example, over who will be the principal author of the children's and

young people's plans. My hon. Friend the Member for Chesham and Amersham (Mrs. Gillan), who is introducing the Autism Bill on Friday, has mentioned the crucial importance of clarity as regards the authorship of those plans. There is also some confusion, which is certainly reported by local authorities, about the division of responsibility between local safeguarding children boards and children's trusts. It is important when we bring forward new institutions and new ways of working that we are clear about the lines of responsibility. I hope that in Committee we will have an opportunity to provide a degree of reassurance to those people on the front line who are worried.

On the subject of support for professionals, as the Secretary of State mentioned, there are provisions in the Bill on discipline, too. We welcome the extension of powers to search students but we fear that they might not go far enough. We feel that the exact requirements to ensure that there are two staff of the same sex as the individual being searched, that only outer clothing can be searched, and that searches can be carried out only for specific goods, on reasonable suspicion and with proportionate use of physical force, might include too many restrictions. We believe that it would be more appropriate to give head teachers a general power that can be exercised for all materials that might be destructive of good order in schools. In our view, it is important that we give head teachers every weapon that they need in order to improve education.

Above all, when we are considering improvement in the state education system, we need to recognise where improvement has come fastest in the past few years, and why. Improvement has come fastest in those schools that have benefited from the independence that the academies programme has brought. As the Secretary of State has acknowledged, improvements at GCSE in those academies that are at a stage where students are taking those examinations have been faster than in the rest of the state sector.

The academies programme has been a success. We should have expected that, because its predecessor programme, the city technology college programme, was also a success. The 12 original CTCs now have examination results at GCSE that are better than the average level of all independent schools in this country. They are comprehensive schools and they are doing better than independent schools.

It is because independent state schools and the academies programme have been so successful that it is so worrying that the voice of academies has been raised against the Bill. The Independent Academies Association has written to the Secretary of State and the Minister for Schools and Learners to say that it is

"with growing dismay that those of us within the Academies movement have witnessed government's changing tack over the last eighteen months or so."

The association's members are the people on the front line of improving education. They say:

"It appears that with every consultation, each missive and even new legislation from the DCSF, there comes further erosion of the independent status of Academies. Sponsors…Governors and Principals up and down the land are seriously questioning the long-term sustainability of the programme, when their efforts to positively impact on driving up educational standards and progress are being increasingly hampered by requirements to bow to the whims of quangos and to abide by additional regulations."

The Bill, which creates new quangos and additional regulation, is specifically attacked by the association because it underlines the independence and autonomy that the association's members need.

Mr. Dhanda: I welcome the fact that the hon. Gentleman is waxing lyrical about academies and I welcome his support for them, but does he have a message for Tory local authorities that have resisted the creation of academies, such as Gloucestershire—not least because it does not want to water down the four grammar schools? I am sure that the hon. Member for Havant (Mr. Willetts) is very concerned about that, too.

Michael Gove: I know that the hon. Gentleman is a friend of educational excellence and I know that he appreciates the role that grammar schools play in his constituency. He has not been campaigning for their closure or for any change to their position—*[Interruption.]* If he has, I am sure that his constituents and I would like to know about it. However, on his central point about support for academies, I am entirely clear that we support the extension of the academies programme. That is why it is so worrying that those who are involved in providing some of the best state schools in the country have profound worries about the Bill. The Secretary of State and his Ministers will have the opportunity in Committee to provide the reassurance that those excellent school leaders need, and unless that reassurance is provided it will be very worrying.

Ed Balls: At 3.20, I received a letter from the chair of the Independent Academies Association, Mr. Mike Butler, who explained that he was deeply disturbed by, in particular, the role of the Young People's Learning Agency in performance assessments and by other ways of extending greater powers to local authorities. That was surprising to us because we consulted Ark, Harris, Oasis and the United Learning Trust and many academy sponsors, and in my briefing, I have a quote from Ros McMullen, the outgoing chair of the Independent Academies Association, saying that the IAA welcomed

"the plans to establish the YPLA and its proposed role in the administration and support of open academies…We are especially pleased that this proposition will allow Academies to continue to receive all their funding directly from a single national agency. We have been discussing these issues with ministers for some time, and fully support these proposals."

So the IAA fully supports the proposals, or it does not—

Mr. Deputy Speaker: Order. The Secretary of State had the chance to speak. I am conscious of the time that Front Benchers are taking; they have a chance to wind up at the end of the debate to deal with any points that arise from it.

Michael Gove: If hon. Members want to find out the view of the Independent Academies Association, they can read the letter that I have, which clearly states in gripping detail precisely why those who are responsible for driving improvement are so worried. One of the reasons why they are worried is that this Bill lacks the dynamism and coherence of previous legislation introduced by this Government. One of the tragedies of this Parliament is the fact that when Tony Blair introduced a Bill in 2005 to ensure a step-change in the provision of new,

[Michael Gove]

alternative schools to challenge complacent local authorities, he was unfortunately incapable of seeing that radicalism through. We need a radical change to the way in which our state education system works if we are to provide all students, and especially those from disadvantaged backgrounds, with the opportunities that they require. When radicalism was brought before this House in the shape of that Bill, the people who promoted it found that it was undermined by agitation on the Back Benches led by the right hon. Gentleman who is now the Secretary of State.

It is a tragedy that what will almost certainly be the last piece of education legislation introduced by this Labour Government lacks any of the radicalism, coherence and passion of that earlier Bill. One of the sad epitaphs of this Parliament is that Labour, having come to the field of education with such high hopes and such good ideas, leaves it with a Bill that does nothing to meet the huge challenges that our young people face.

5.12 pm

Mr. Gordon Marsden (Blackpool, South) (Lab): I warmly welcome this Bill, which is very much a continuation of the Education and Skills Bill of 2008, not least in its expansive nature and its ambitions. I want to concentrate on the issue of apprenticeships and skills, and I do so because I have been involved with three major inquiries in my role with the all-party group on skills—one on information and guidance, a report on women and skills that we have just published with the National Skills Forum and a forthcoming inquiry on apprenticeships—and because I was a member of the Select Committee that considered the implications of the Leitch report and which scrutinised the draft apprenticeships Bill.

Skills and apprenticeships were at the heart of the policies needed before the recession, and that requirement is even more pressing now. The social imperative embodied in this legislation is as important now as at any time in the past 10 years, and it should be linked to the issue of lifelong learning. Those issues are critical to my constituency in Blackpool, where the process of regeneration in a traditional low-skill, low-stay-on at school setting needs to be transformed. Regeneration is about reskilling people as well as being a matter of buildings and structures, and the Bill needs to tackle both issues.

It is right, therefore, that we acknowledge what the Government have focused on, what they have emphasised and what they have achieved. They have maintained a constant focus on the issue—a process that has accelerated since we have had two ministries responsible for it and as a result of the increasing, vital co-operation between those Departments and the Department for Work and Pensions. The Government have rescued apprenticeships—we should be in no doubt about that. In 1997, we inherited an apprenticeship figure of 75,000, but today we have a quarter of a million. We have made significant progress on completion rates. The creation of the national apprenticeship service, the £350 million that was promised for small and medium-sized enterprises under Train to Gain, which is very important in my constituency, the opportunity to study in bite-size chunks, the business improvement package, the £100 million for retraining and reskilling and the enormous success of the union learning fund and union learning representatives all show the persistent commitment of this Government, and particularly of the Secretary of State and Ministers past and present.

I emphasise the critical importance of continuity. The Minister of State, Department for Innovation, Universities and Skills, my right hon. Friend the Member for Tottenham (Mr. Lammy), was an outstanding skills Minister and of course now has responsibility for higher education. Such continuity is absolutely right, because what we deliver in skills at level 4 will be critical to our success.

I do not say that there are not Opposition Members who have a passion for skills, apprenticeships and training. I know that many do, such as my colleague from the all-party group on skills, the hon. Member for South Holland and The Deepings (Mr. Hayes), who is in his place, and the hon. Member for Havant (Mr. Willetts), who has just left the Chamber. The hon. Member for Bristol, West (Stephen Williams) has spoken passionately and constructively on the matter for the Liberal Democrats. However, to will the ends of success in apprenticeships and skills, one must also will the means. I am afraid that the Leader of the Opposition's ill-advised playing with words and figures and his proposed 1 per cent. block have inevitably laid his party open to the charges that the Secretary of State so eloquently made this afternoon. The Opposition's lack of commitment to diplomas and the vocational route in the past, and the black hole that abolishing Train to Gain would open up, are not the ways forward.

We need to place increasing emphasis on skills and apprenticeships for the post-16 cohort. Just as the profile of higher education students is changing—the average higher education student is now in his or her mid-20s—demography will ensure that the profile of those taking up skills and apprenticeships will change rapidly from 2010. We must pay due recognition to that, but we must also get the pre-19 situation right. That means getting information, advice and guidance right and emphasising the critical role of schools and teachers and the pivotal role of further education and sixth-form colleges. The question that we must answer in considering the Bill is whether it will give young people the skills and adaptability to gain jobs in an economic downturn and keep them, and the flexibility to go through a series of careers. Specifically, we must consider whether there will be clear, not clashing, pathways between diplomas, apprenticeships and higher education.

Schools are not just about teachers, and clauses 212 to 227 contain welcome provision for the new school support staff negotiating body. The trade unions that represent support staff, Unison, Unite and GMB, of which I am a member, along with the TUC, are concerned that there should be national consistency in the agreements that are ratified. I ask Ministers to take that on board when they examine the details of the Bill. The role of support staff is as key to the success and ethos of a school as that of its teachers.

The role of teachers in encouraging young people to go down the route of apprenticeships and skills is crucial, as is independent advice and guidance. Frankly, Connexions has hitherto not been able to provide that advice terribly well and has reached too few people. As the Skills Commission's report, "Inspiration and Aspiration", stated, only 40 per cent. of young people have had one-to-one interviews under the current process. I therefore welcome clause 35, which will oblige schools

to give advice on apprenticeships, but it remains the case that teachers need more guidance on both apprenticeships and diplomas. The Sutton Trust considered the matter recently and suggested that only a third of teachers felt that the 14 to 19 diplomas were useful in widening participation at higher education establishments. A recent survey by the Edge foundation showed that only 24 per cent. of teachers perceived apprenticeships as a good alternative to A-levels. That contrasted with much higher figures—percentages in the 40s and 50s—for parents, young people and employers. We therefore need a major push on apprenticeships.

It has already been said that the Bill will deliver new structures, not least the Young People's Learning Agency. However, how will that change the quality of the advice? Allister McGowan, chair of the National Institute of Careers Education and Counselling, has consistently warned about Connexions weaknesses and already wide variations in delivery. He and his colleagues will revert to that subject. It is important that the Young People's Learning Agency should take a firm hand in ensuring that there are national standards and that local authorities co-operate when necessary.

I have mentioned the key role of further education and sixth form colleges. In Blackpool, I have two excellent examples, which are second to none—Blackpool and the Fylde college, and Blackpool sixth form college. They promote vocational skills, especially in aeronautics, design and leisure. In the past 12 months, Blackpool and the Fylde college put 900 people through skills for life and employability programmes. It works with a local enterprise growth initiative to train local unemployed people in construction skills. All that is vital to Blackpool's regeneration, as is the capital build programme of £100 million to relocate the college in the centre of the town. It would be remiss of me if I did not take the opportunity to remind Ministers of the importance of linking future expenditure with regeneration—not only of buildings but of people.

It is crucial that higher education institutions recognise apprenticeships and diplomas as proper qualification routes. Some areas are better at that than others. Fortunately in the north-west, the regional development agency is positive and active. We have the North West Universities Association and good links between the higher education and FE sectors. However, we need a proper framework to accredit advanced apprenticeships with the UCAS tariff. The Select Committee has already argued for that. Just as teachers need to learn swiftly about the importance of apprenticeships and diplomas, so do universities and admissions tutors, perhaps especially some of those at the older universities—sometimes, but not always, Russell group universities—which have less experience of the older, non-traditional cohort.

A false dichotomy is sometimes posed between basic level 2 and 3 and level 4 skills. We need both; we need different proportions in different parts of the country—that is why the Select Committee's report on Leitch called for regional and sub-regional strategies. However, we know, not least from the projections that the UK Commission for Employment and Skills and its energetic chief executive, Chris Humphries, has produced, that more than 50 per cent. of all job demand in the next eight to 10 years will be for high-level skills. There must therefore be a much clearer link and mapping between diplomas and apprenticeships. The main message is that we need both to be recognised and accepted rapidly.

Apprenticeships are about principles, not only the mechanics of delivery. Equality and diversity must be built in, especially for non-traditional groups—women, ethnic minorities, people with disabilities and younger adults. That means reconsidering flexibility in some of the guidelines for statutory rights to apprenticeships. The Open university has done that for years with its admission of students. If such flexibility is good enough for the Open university, which produces wonderful results, it should be reconsidered for apprentices.

Neither skills nor apprenticeship policy can be coherent without considering older workers, and I give the Government great credit for recognising that, and for what has been done so far. Indeed, the new adult advice and careers services are an important step forward. However, as with younger workers, the National Institute of Careers Education and Counselling has argued that an effective mature adult apprenticeships programmes is not the same as a programme that is suitable for first-time entrants. Recognition of prior learning experience, as on the OU model, and stress on the modular will be key, as will the new rights to request training and encouragement.

We need also to be clear about the rights to apprenticeship, especially in a recession. Who will pick up the slack? Public sector apprenticeships are important, but we must also consider the role of universities, which will take on and, frankly, shelter apprentices who have been let go by business because of their failings.

There is already good practice among older employers such as BT and British Gas, but the Government have to use every lever to ensure that public procurement brings with it apprenticeships, so I very much welcome what has been said about that today. We need to boost productivity, not just employability. There are long-standing skills challenges. Figures suggest that about 60 per cent. of health and social care job demand in the next 10 years will be in professional and personal services and that 60 per cent. of construction job demand will be in the skilled trades. Again, however, those are precisely the sectors from which 30 to 40 per cent. of the work force will retire in the next 10 years. We have to address that.

In particular, we have to address that problem among certain groups. I want to talk again about the importance of women. "Closing the gender skills gap", the report that the Skills Commission has just published, is all about that. It covers everything, from challenging role models and stereotypes in schools and colleges to linking work with Department for Work and Pensions policy. That is particularly important in respect of the role of carers and making the allowance available to people on courses for more than 21 hours a week.

Mr. John Hayes (South Holland and The Deepings) (Con): As ever, the hon. Gentleman is making a measured and well-informed speech. In the light of what he has said about older learners and workers, does he support Conservative proposals to fully fund post-19 apprenticeships? Surely the disparity in funding cannot be justified, given the need for more older people to train in the way that he has described.

Mr. Marsden: I thank the hon. Gentleman for his intervention. If we were starting from point zero, we might take a different view, just as we might with the funding of academic students, too. However, we are

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where we are. I support the moves that the Government have made so far. I would like them to move further, but that has to be done on the basis of balancing the needs of younger learners and the available funding.

We have talked quite a lot about statistics today, but this debate is all about the life-changing effects on individuals. When I think about women and skills, I think of the woman from the Mereside estate in my constituency whom I met at the recent opening of a children's centre. She had taken her children through Sure Start, in which she had been a volunteer. She then returned to a further education college in her late 30s to train as a primary school teacher. She had got through, but the structures need to be made much easier, to encourage many more people to do so. That is also true for marginalised groups, such as workers displaced by recessions and those returning to the labour market. I am glad to see the commitments, which the Secretary of State has underlined this afternoon, in clause 47 on young offenders' learning.

None of us can leave aside the recession. What are we training people for? The key task for the agencies created out of the Bill will be to refocus learning opportunities around soft skills and give people credit, in both senses of the word, for training that does not always have to lead directly to employment. That has consequences for Train to Gain. It means that more flexibility will need to be built into Train to Gain, to ensure that many more people not now employed can access training and ongoing education, and that, for the time being, the Government, not the employer, will increasingly be the co-ordinator and sponsor for ongoing education and training.

We have to be careful, in the drive for skills and reskilling during the economic downturn, that the case for lifelong learning is not lost. Even with the imperatives of skills funding, informal learning can still loom large. The sort of skills that older people require if they are moving from a low-grade job or returning to work are often clustered. They are not linear; they are gateway skills to do with developing self-confidence, time-keeping and office skills. Such skills will not always be gained from job-based qualifications. The Government, as well as employers, have to recognise that the development of skills accounts, the Government's laudable initiative to revive the original intention of individual learning accounts, must include funding incentives for non-instrumental learning, as the City and Guilds national learning bank proposals say. As our Committee said:

> "Skills Accounts that merely became an…accounting exercise, listing achievements or entitlements…would be sterile and quite inadequate to address the issues…Leitch highlighted in his Report."

We have to think about the contribution of adult learning above and beyond the world of paid work. Being able to use the talents and commitment of people from the third age, especially in the third sector, will be an essential ingredient of voluntary and community work, and, where possible, that should be funded.

As we recover from the economic downturn, it is also going to be necessary to reskill people with green credentials, and not just through capital expenditure programmes. As Chris Humphries has recently emphasised, skilling will have a big impact on hundreds of thousands of people. The TUC's new pamphlet on unlocking green enterprise highlights the fact that this is not just about degree levels but about the installation and maintenance of renewable energy technologies, which will require much more modest qualifications.

We should also look at what is going on in the USA. Barack Obama has produced an ambitious programme, and there have recently been proposals about how those policies will affect people there. For example, a report called "Job Opportunities for the Green Economy" makes the point that wind farm projects will create jobs for sheet metal workers, machinists and truck drivers, while increasing the energy efficiency of buildings will rely on roofers, insulators and electricians.

This is all about practical politics, and about bringing together not only skills but aspirations. The title of our Select Committee report on Leitch was "Re-skilling for recovery". I believe that, with enough blue-sky and green-sky—if I can put it like that—thinking, we can deliver skills and educational fulfilment for people of all types and ages. The Bill, with its focus on skills and training, can be a key vehicle for delivering that.

5.31 pm

Mr. David Laws (Yeovil) (LD): I would like to start where the Secretary of State began, by paying tribute to Lord Dearing and the work that he did, during a long period in education, on curriculum reform, higher education and, more recently, modern languages. I would also like to thank the Minister and his team for meeting me and my hon. Friends the [illegible]bers for Bristol, West (Stephen Williams) and for Mid[illegible] and North Poole (Annette Brooke) to discuss the Bill and its later stages.

When we had our meeting, however, the Minister did not mention that he was already in the process of amending his own Bill. We have heard from the Secretary of State today that a number of amendments are already in the offing. I think that at least one of them might emanate from Barnardo's, although I hope that the Minister will correct me if I have got that wrong. It would be useful to know, either now or at some stage before the debate concludes, how many amendments there are already, particularly on special needs, and when members of the Committee and Members of the House can expect to be made aware of them, so that we can avoid pursuing issues that the Government may already have addressed. Perhaps the Minister could deal with that question later in these proceedings.

I should also like to thank all those outside this place, such as Barnardo's and others, who are already busy scrutinising the Bill and proposing a series of amendments and adjustments to it. In my view, they do not have a particularly enviable job. This is a very long Bill, with 265 clauses, and it is not a particularly exciting Bill. If it is going to be the final education Bill of this period in office for Labour, as I suspect it will be, it will mark Labour's leaving with a whimper rather than a bang. With the exception of the proposals on apprenticeships, it seems to be a rag-bag of different proposals with no common theme other than, in many cases, that of centralising power and increasing the level of bureaucracy.

The Bill is particularly deficient in respect of tackling some of the continuing, entrenched disadvantages and inequalities in the education system that are manifested in the enormous gap between the performance of those from deprived neighbourhoods and those from more affluent areas. It is still the case, for example, that about

85 per cent. of white boys from poor families fail to reach the Government's benchmark of five good GCSEs. We also know that a majority of schools in the poorest areas fail to get more than 30 per cent. of their pupils to reach the five good GCSEs target.

I had hoped that the Government would provide a greater sense of momentum and vision through the Bill. I had hoped that they would accept the proposals for a pupil premium developed by the Liberals and others to target disadvantage, and that they would raise funding levels and effectiveness to reach the people who have been and continue to be left behind. I wanted to see those proposals in the Bill.

Kelvin Hopkins: The hon. Gentleman dismisses much of the Bill as of little consequence, but does he not accept that the proposals for sixth-form colleges are radical and could lead—will lead, I hope—to the development of many more sixth form colleges, which might well be seen as highly significant in future?

Mr. Laws: We will see in time how radical they really are. What I am suggesting is that if we look at the real challenges this country's education system faces and acknowledge the huge number of youngsters, particularly in lower-income groups and among those with special needs, who are being left behind in education, we find precious little in the Bill that will make much difference to them in two, five or even 10 years' time.

What I would say—the Government have been a little reticent in acknowledging this today, despite the Secretary of State's teasing by his opposite number on funding—is that the Government are moving into a period in which education budgets will be much more restrained. Indeed, after 2011 we will probably see an end to the Government's pledge made a number of years ago to expand the education budget as a proportion of GDP, so it will be much more challenging to deliver the improvements that the Government have committed to and that many of us would like to see.

We will have plenty of time in later stages to scrutinise the myriad detailed and, in many cases, quite small proposals in the Bill's 265 clauses.

Mr. Willis: Two hundred and fifty-six.

Mr. Laws: Yes, 256. I am grateful to my hon. Friend for his usual pithiness and focus.

I want to focus on three broad areas that we are particularly concerned about. The first is the proposals for Ofqual. The hon. Member for Surrey Heath (Michael Gove) led with them in his scrutiny of the Bill and, in my view, they are and should be regarded as the most important aspect of the Bill. Secondly, I shall deal with the provisions that introduce central control of education by the Department for Children, Schools and Families and the issue of bureaucracy, which is already a matter of concern to many who work in schools, including school leaders. Relevant here are the details of the new schools complaints procedures, the practicalities of the right to request time off for training, the powers of search—the hon. Member for Surrey Heath touched on them—and other requirements connected with physical constraint. Those are all important issues, which prompt serious concerns about the practicality of some of the proposals. I shall finish on a third concern about the Government's mechanisms for delivering improvement, the powers of intervention that the Government are assuming for themselves and the way in which the Young People's Learning Agency will interrelate with the academies programme and the oversight of education.

The Bill's potentially most important proposals relate to Ofqual and the attempt to restore some confidence in standards of education. We are now coming to the end of a long period in which this Government have been in office and a large number of educational proposals have been made: 17 Bills, 60 to 70 Green Papers, and more than 1,700 regulations. It is clear from our debates over the last couple of hours that there is no agreement about what has been achieved in the sense of improved outcomes over all that time and through all the additional money invested.

The Government's own statistics suggest that many of the most important measures of performance—GCSE results and key stage tests—have improved significantly since 1997. Indeed, in parts of the country, especially inner London, the improvement in results in some communities since 1997 is almost literally unbelievable. If that educational improvement is real, the Government, the teaching profession and local authorities in those areas deserve a great deal of praise, but there is an alternative picture—that painted by the hon. Member for Surrey Heath, in which there is great uncertainty about just how much of that apparent improvement in results is real and how much is a consequence of inflation of standards and distortion in relation to teaching to the test.

Those concerns about the most basic elements of understanding of what has been achieved in education are echoed widely, not only by particular political parties but across political parties. We saw them in the excellent report on testing and assessment produced by the Select Committee in May 2008. If we, as a House and as a country, cannot even reach clear agreement on where we are in education and what is improving and what is not, all the other debates that we are having about education policy are difficult to hold in a sensible context.

Paragraph 170 of the Select Committee report highlights the paradox that

"whilst test scores are improving at home, international rankings are either static or falling."

That provides an ambiguous conclusion about what is happening. The Select Committee, in criticising the Government in clear and blunt terms, goes on to say that

"it seems clear to us from the evidence that we have received that the Government has not engaged with the complexity of the technical arguments about grade inflation and standards over time. We recommend that the Government addresses these issues head-on, starting with a mandate to the QCA or the proposed new regulator to undertake a full review of assessment standards."

We welcome, of course, the modest attempt that the Government are making to put the assessment of educational standards on a more independent footing, but the question is whether the proposals in the Bill anything like match what will be necessary to restore confidence in standards. Our suggestion is that they do not.

A number of hon. Members have already mentioned the start that the new shadow Ofqual has made. It has not been entirely inspiring, with that organisation having

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persuaded one examination board to lower its standards and having already admitted in the board minutes confusion and uncertainty about how to maintain standards in an environment where the qualifications that underlie those standards are changing over time.

As has been mentioned, some major examination boards have put on the record their concerns about whether the proposals really meet a standard of independence that will give us confidence in the new Ofqual. Cambridge Assessment says in its representation to the Committee:

"We have serious concerns about the proposals as set out in the legislation—specifically in relation to the independence and accountability of the regulator, the qualification development process and ability to deliver qualifications in a timely manner."

AQA has also made clear its concerns about the proposals:

"Ofqual needs to be given an explicit statutory power within Clause 144 to enable it, if necessary, to direct a recognised awarding body to set the standards in a specified qualification, on a specified occasion, at a specified level."

Mr. Graham Stuart: I am grateful for what the hon. Gentleman has just said, because it gives the lie to what the Secretary of State said to the House earlier, when he suggested that exam boards are not interested in the new regulator having teeth. That is precisely the opposite of the truth. They are committed to high standards because they have an interest in that currency. It is the Government who perhaps have an incentive to go in the opposite direction.

Mr. Laws: The hon. Gentleman is exactly right. The Secretary of State seemed to get the wrong end of the stick when he responded earlier. He appeared to be under the illusion that the exam boards were complaining that the new body would be too powerful and would hold them to account too effectively, but they have precisely the opposite concern—a concern that may be reinforced by the somewhat ambiguous responsibilities that the Bill gives Ofqual. Clause 125(4), for instance, gives it a duty to "promote public confidence" in qualifications. That leads us, in the context of some of what it has said recently—including the views that it expressed about the key stage testing fiasco—to question whether it will be an effective watchdog, or will see its role as that of a cheerleader.

The Select Committee has made recommendations which, in my opinion, could make a real difference to whether Ofqual discharges its responsibilities effectively. The Committee's report makes absolutely clear its view that not only should Ofqual be a fully independent organisation, but it should have the power to carry out standardised sample testing for the purpose of monitoring particular cohorts of students so that, over time, we can see what is happening to educational standards without the results being distorted by "teaching to the test", or by changes in the ease with which certain qualifications can be gained.

The Secretary of State chortled when I raised concerns over how Ofqual would discharge its responsibilities. In particular, he chortled at a sentence to which I referred and which, in fact, came from the Government's response to the Select Committee report. It is worth putting on record precisely what the Government's response was to the proposals on sample testing. They said, in July 2008:

"we do not accept that sample testing is necessary or desirable. In any case, Ofqual's role is not to monitor education standards as a whole; it is to regulate the qualifications and assessments which are one of the means by which those standards are measured."

That is a very interesting observation. It raises questions—the hon. Member for Surrey Heath nodded when they were mentioned earlier—about the extent to which we can rely on existing qualifications for judgments about educational standards as a whole.

I suggest that we need Ofqual to have precisely the powers that the Select Committee envisaged to carry out its own monitoring of educational standards without relying on qualifications which, particularly over recent years, have been persistently changed in a series of ways. No doubt they have often been changed with the best of intentions—to help youngsters to thrive in education, and to provide them with a testing and exam system which may in some cases be more meaningful—but in most cases the changes have had the effect of apparently improving standards; and that, alongside the Government's targeting system for education results, has had a very strong effect in pushing schools and youngsters into qualifications that may often be considered likely to help to deliver those targets.

Although the Secretary of State indicated earlier that he would stand back from the whole debate about standards—that he would not make any grand claims, and that he would leave all this to Ofqual—we have also seen, in paragraph 50 of the Government's response to the Select Committee's report, the following very impartial assessment of the standards debate:

"Thanks t .. .egulatory scrutiny, we have every confidence that standar , are being maintained and that tests are a true measure of learners' attainment."

It seems that the Government, while pretending to be in favour of some sort of impartiality on standards, have already taken a clear position in the standards debate, arguing that much of the evidence cited earlier is apparently not accurate.

In scrutinising the Bill, we shall want to spend a fair amount of time examining the Ofqual proposals. We shall want to consider whether the existing rather weak proposals can be turned into something far stronger, and can produce the sort of education standards authority that we have discussed over the last couple of years—an authority that would be more independent of Government, would be able to discharge the types of functions to which many of the exam boards have referred, and would be empowered to make its own judgments about educational standards without relying only on the existing qualifications.

Mr. Nick Gibb (Bognor Regis and Littlehampton) (Con): Why does the hon. Gentleman think the QCA's regulatory function has not so far succeeded in maintaining the public's confidence in the integrity of our exam system? Is it because there has been ministerial interference since the QCA was established, or is there another problem within the QCA itself? Also, how does the hon. Gentleman feel that the new Ofqual arrangements will differ from those under the QCA, in order to prevent people from having the same problems?

Mr. Laws: I believe that the problems so far have included not only the degree of independence, or perceived independence, but the expectations that there have been on those bodies and the powers they have had to carry out their functions. Even in the proposals the Government

are bringing forward today, there is not really the expectation that Ofqual will be doing a serious job and will be given the resources and discretion to assess what is happening in terms of educational standards. It is in danger of looking as though the Government simply want the slightly more independent body of Ofqual to rubber-stamp the exam results each year, so that it is somebody who is apparently independent, rather than Government Ministers, who will have to appear on television in August to explain why the results have gone up. The Minister for Schools and Learners will then be able to stay away in whatever exotic destination he is holidaying in, instead of returning to answer questions on the airwaves.

That brings me to a second area of concern, which I think would be shared by almost anybody who is familiar with Labour policy on education and public services over the last decade or so. It relates to the extent of central control and the tendency to introduce additional burdens of bureaucracy, often unnecessarily. The Association of School and College Leaders says in its representations that it is particularly concerned about the extra powers the Bill gives to the Secretary of State. It says these powers increase the centralisation policy and have the potential to undermine the capacity of school and colleague leaders and governing bodies to make decisions appropriate to their local circumstances. I agree with that; in many areas, a lot of additional central control is being given to the Secretary of State, and we will return to that later when we discuss improvement powers in relation to schools. There is also a great deal of bureaucracy in some of the new proposals. Many of them are no doubt being introduced with the best of intentions, but there is a real danger that they will become a bureaucratic nightmare of considerable proportions.

I shall start with the new complaints procedures, which remove the Secretary of State's power to get involved in messy and difficult appeals. It is one of the few areas where the Secretary of State is actually giving something up—and it is possibly the one power he would want to give up. That power will be handed over to a new appeal mechanism, which is essentially an ombudsman function. There is a major concern that that could lead to a proliferation of complaints, not all of them well grounded, and a need for schools to increase enormously the amount of monitoring and collecting of evidence that relate to cases that could emerge through this ombudsman process. The National Union of Teachers says in its representations that there is concern among teachers and head teachers that this provision is at best unnecessary and at worst may further complicate existing complaints structures. The ASCL says in its comments on the Bill that guidance about what constitutes a good complaints policy is the best way to deal with the relatively small number of cases where school complaints systems are not working well. It suggests that the proposed complaints service has the potential to be expensive and bureaucratic and that, as it will have an interest in justifying its own existence, it may be liable to increase, rather than diminish, whatever problems there may be. We will therefore want to look very closely at these proposals during the passage of the Bill.

We notice that in clause 194, which describes some of these powers, the definition of a qualifying school includes "a community, foundation or voluntary school…a maintained nursery school…or a short stay school", but that academies are apparently not included. Can the Minister clarify now or later whether academies will be exempt from this complaints process and, if so, what complaints process will relate to them, and what is the justification for leaving them out of this process?

Another Government proposal is the right to request time off for training. That, of course, either sounds wonderful or probably already exists in many businesses. However, when we look at the Bill in detail, we will have to consider how this right and the appeal routes that will be given to employees will work in practice. The Bill lists a whole series of what are essentially opt-outs for employers—circumstances in which they would find it difficult to give this right to time off for training. Most of them require an enormous amount of discretion and judgment, and it will be interesting to learn how the Government envisage some of these proposals working in practice, and what the scope may be for an increase in bureaucracy and appeals, and, perhaps, in cases being brought where there has been a breakdown previously between employer and employee.

Also on the bureaucratic and centralising burdens in the Bill, there are some important proposals on powers to search, which the hon. Member for Surrey Heath has touched on, and the important issue of reporting a physical constraint. We would want to make sure that policy on the latter strikes a sensible balance between the requirement to report incidents that are sufficiently serious while avoiding being so onerous that it creates impediments to sensible behaviour within schools. In relation to the powers to search, we and a number of the teaching organisations share some of the concerns expressed by the hon. Gentleman earlier that the way in which the Bill grants these powers leaves out certain powers to search for other items, which any head teacher or governing body would probably want to be able to exercise. Therefore, the issue is whether it is right to grant a more generalised power that allows for a greater degree of discretion, or whether the Bill should allow for some of the other areas that have already been identified by bodies outside this House.

Finally, I turn to school accountability and improvement. Under this Government, there has rightly been a great deal of concern about schools across the country that have not been performing to the level that is possible—that has been demonstrated to be possible in areas where there is a similar, and often particularly challenging, catchment. I commend the Government for not having been willing simply to assume that such schools, often in deprived areas, should automatically be sentenced to achieve poor results. I can also understand why the Government have not in the past been willing to allow mechanisms of accountability that should have been exercised through local authorities, because it is clear that in large parts of the country over a very long period of time some local authorities—quite often in Labour areas and where Labour has been in power for long periods—were simply not discharging those responsibilities effectively. Indeed, in many cases those local authorities had themselves got into a mindset where they had a set of low expectations for the young people in their area because of the types of household and levels of income that they came from.

Over the past 10 or so years, we have had an increasing range of Government policies designed to intervene and deliver improvements. They are well intentioned,

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but they have often been counter-productive, as were some of the announcements on the National Challenge programme, which dubbed schools "failing" even when in some cases they had been converted into academies, were improving rapidly and had very good value added. In some of those cases we know that the ability of those schools to improve was weakened because of their having been designated by the Prime Minister as failing schools: they lost pupils who were previously going to attend and they lost staff who were going to apply to work in them but who, when they read in the local newspapers that the schools were at risk of closure, decided not to apply there.

Our education system needs a more coherent mechanism for holding local authorities and schools to account, and then a proper means of intervention. At the moment, we just have a complex muddle between local and central responsibility. The Government say that they want local authorities to be the commissioners for education services, but they do not really believe in the ability of local education authorities to perform that role. We also have a vast range of different mechanisms to be used in a very arbitrary way to deliver school improvements.

The Bill repeats many of the errors that we have seen over the past 10 years. The Local Government Association, for example, notes how the Secretary of State will now take additional powers on school improvements, and can force notices of improvement to be issued, even when local authorities are being proactive and have other proposals for improving education in those areas. We know that the Government's response to the expansion of the academies programme has not been to try to find some mechanism through which the academies can become locally accountable to the local authorities, which are supposed to be the commissioners. The response has been simply to acknowledge that Ministers cannot ultimately control an academy programme of 200, 300 or 400 schools and to set up another agency—a mini local authority—to do that job for the Government and local authorities. That confirms the view that the Government still do not trust local authorities to be effective commissioners and to deliver change.

The Liberal Democrats would like to see a proper role for local authorities in holding schools to account and a proper devolution of power, not only to schools—so that they can exercise some of the powers that have been decentralised to academies but not to other maintained schools—but to local authorities in their oversight of school standards, with appropriate scrutiny of their performance by Ofsted or an education standards authority. Such an authority should hold not only schools and pupils to account, but local authorities as commissioners of services. Instead, we have from the Government another set of arbitrary measures that will no doubt be replaced in the fullness of time by other arbitrary measures or changes made by whatever Government we have in the future.

The Bill is a hotch-potch of different measures, thrown into a long piece of legislation designed to give the impression that the Government still have some sort of agenda for education. However, it is sadly lacking the fundamental changes that could make a difference in addressing the major concerns about the education system that are actually shared by all parties.

6.3 pm

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): I wish to add my voice to those who have mentioned the sad death of Lord Dearing—or Ron, as I knew him. His contribution to education in this country was immense, but what stands out in my mind is his consideration of the future of higher education before the 1997 election. His report achieved all-party agreement and higher education would have been profoundly different without it. More recently, my Committee has been considering testing and assessment, is concluding an inquiry into the national curriculum and will go on to look at inspection. Ron Dearing's name runs throughout all those issues. The education sector will be poorer for his loss.

On a lighter note, Ron's sense of humour was amazing. It was a sight to behold him and Ken Baker—Lord Baker, I should say—going around together to promote university technical colleges. That was a lovely last campaign for Lord Dearing, and we shall miss him.

I turn now to something that would have been of great interest to Ron, and that is where we are after nearly 11 years of Labour education policy and this latest Bill. As Chairman of the Select Committee on Children, Schools and Families, I have noticed how some colleagues complain about how disgraceful it is that we have new legislation that will take our mind off the job of running schools and upset people because the quango structure will be changed. On the other side are the people asking why the Government do not provide more direction or make more high-profile, sweeping changes right through from early-years, pre-school education to higher and adult education. We have to achieve a balance, as all Governments try to do.

As I have said in previous Second Reading debates, three pillars of reform—testing and assessment, the national curriculum and inspection—are associated with the period between Baker and Balls. Those reforms have now been in existence for 20 years and it is therefore a good time to reflect on them. Some of the elements of the Bill do that, although it is something of a catch-all Bill.

I shall start with apprenticeships. In this case, the Government gave both my Committee and the Business and Enterprise Committee the opportunity for pre-legislative scrutiny—it was all that we had time for. It was an experiment for the two Committees, which worked for the most part blind to the other's work but came to very similar conclusions, which is not a bad recommendation. Broadly speaking, we welcomed the proposals on apprenticeships. All of us worried about the ambitiousness of the Government's targets, and whether they could be delivered—especially as by the time we wrote our report, we were in recession, a time when it becomes ever more difficult for the private sector, especially small and medium-sized enterprises, to think about taking on more apprentices. Those of us who have been here for a long time remember the collapse of apprenticeships under a previous Prime Minister. We had wonderful apprenticeship schemes in some of the premier companies in this country, but they fell away, and it has taken a long time to get back to that quality of training and to rebuild the apprenticeship infrastructure.

People can get carried away by the term "apprenticeships", and the Committee considered the issue of quality control. Some of us with constituencies that still have a strong

engineering base—as I do in Huddersfield—assume that an apprenticeship lasts three or four years and is intensive and of high quality. It is paramount that when a person finishes an apprenticeship, they not only have a good qualification that will more or less provide them with a career for life, but are well remunerated. That is true of some apprenticeship schemes, and those in engineering seem to set the gold standard. Many apprenticeships are short term nowadays, lasting as little as a year, so they are rather different. Some are not served with employers but are programme-led.

We drew quality control to the Government's attention, because we need assurance that qualifications are of good quality and lead to well-remunerated employment. Both Select Committees said, "For goodness' sake, make sure that in every school the apprenticeship option is brought to the attention of young people coming up to 16". Absolutely. Why not? It provides a wonderful opportunity that is better suited to the talents of many young people than staying on at school until they are 18 and then going to university or seeking employment.

Apprenticeship is a good option if it is the right apprenticeship for the young person. I believe that young people should be told what the career they are entering will bring them as an income. That was one of the things I wanted to add to our report, although we did not include it. They should know how often on average they would need to change jobs as a hairdresser or in retail or distribution, where the training is much shorter but incomes are much lower. The assurance of the good life in some sectors, based on an apprenticeship, is not what it is in others, so people need better knowledge of the career steps beyond the short apprenticeships offered in some sectors.

The Minister's response to our pre-legislative report was rather late. We reminded him that it was due when he was giving evidence to the Committee a few days beforehand and it arrived in the nick of time so that it could be attached to the documents for this debate. Our challenge to the Government is that there can never be a better time to train than during a recession. If we do not have training during a recession, we might as well give up on the commitment to train. This is when we have to train; the Government have to become more active and recognise that the private sector will be more reluctant, unless it is given inducements—unless it is made beneficial for small, medium and large companies to take on apprentices. When companies are finding it difficult to make ends meet and to obtain bank loans to continue production, there must either be generous help for the private sector or public sector apprenticeships will have to be pulled into play in a way that we have not considered seriously for a very long time—if ever.

As most of us know, the major employers in constituencies such as mine 30 years ago were household names—the big engineering and textile companies and chemical companies such as ICI—that employed many thousands of people. Today, the main employers are the university, the health authority, the hospitals, schools and colleges. The picture is totally transformed, and those are the jobs people do. If we want apprenticeships to grow, we have to embed them in the health service, local government, universities and all the public sector areas. If we do not do that, we shall not have high-quality apprenticeships and we shall not have them fast.

I made a recommendation to the Department and to the Prime Minister 10 days ago, when my right hon. Friend was giving evidence to the Liaison Committee. I asked him if he could

> "give a guarantee that no young person leaving school at 16 in this interim period, in the recession, before we get the leaving learning age to 18...will be without training or an apprenticeship."

The Prime Minister said:

> "I want us for school leavers to be able to be in a position to say that every school leaver will have the chance either of a job or of an apprenticeship or of some form of training that will take them through to a job in the future."

That is quite a commitment and I hope it will be translated into Government action.

Most people who have spoken so far—certainly the Front-Bench spokespeople—have mentioned Ofqual and the Qualifications and Curriculum Agency. It is interesting that nearly everyone has homed in on the replacement for the QCA. The agency has a history, and the hon. Member for Surrey Heath (Michael Gove) took some pains to talk about the evidence for deteriorating standards in young people's GCSEs and A-levels. In an intervention, I pointed out that it was easy to find such evidence; indeed, the QCA appeared before the Education and Skills Committee, and the Children, Schools and Families Committee has visited other countries—for example, to look at the Swedish model, which I prefer to the Finnish model, as some members of my Committee know. However, countries like the UK—big urban nations such as Germany, France, Italy and Spain—share the same difficulty as us: it is difficult to track standards over time, because everyone's system changes to some degree.

The Committee asked questions of Ken Boston, the former head of the QCA. He is a fine public servant who had the honour and integrity to resign when he thought that he had got things wrong in terms of the testing regime last summer. That should not detract from the fact that he is a fine public servant and I thought he was a very good head of the QCA. When he gave evidence to the Committee, he made a robust defence of the maintenance of standards over time. We have to find a balance, because we can easily fall into the arguments set out in *The Sunday Times*, *The Times* and the *Daily Mail*—that standards have gone to pot and that none of our children does any work or achieves qualifications worth the paper they are written on. We all know about that kind of populist nonsense, but under my chairmanship, when the QCA was regularly interrogated over a long period, we received pretty satisfactory answers about the maintenance of standards over time.

Mr. Gibb: If the QCA has done such a good job to date in maintaining standards in our public examination system, what is the problem that the Bill seeks to address?

Mr. Sheerman: I was about to come to that point. There has been debate about the political independence of the QCA; it has been common currency that people wanted a more arm's-length qualification body. We have also heard the argument—

Mr. Gibb *rose*—

Mr. Sheerman: Could the hon. Gentleman wait for me to finish my point?

There is an argument that we should have a more robust and independent qualifications authority—a regulatory body that has teeth. I am one of those who believes that we have to wait for such things to develop over time. I shall wait to see whether the person appointed to lead Ofqual on a permanent basis has the robust character that will make the organisation what it can and should be.

Mr. Willis: The hon. Gentleman has much experience in this area. Does he agree that one of the real problems with the QCA was that it was trying to deal with two separate functions—qualifications and the curriculum? The new organisation, with a single focus, can let others develop a curriculum that is really appropriate and can then consider the appropriate qualifications that will follow.

Mr. Sheerman: In our long relationship, that is probably the most helpful thing that the hon. Gentleman has ever said to me. He is absolutely right, and I was just about to come to that point. We want a robust body. Ofqual is a good improvement, although that will depend on the person who runs it—on how robust they are and how determined they are to make something of the post. If someone is appointed a Supreme Court judge in the United States, but he or she is a mouse, they will not make an impression. However, if we give a person the power, they could make something of the office.

Mr. Laws *rose—*

Mr. Sheerman: I will not give way to the hon. Gentleman, because he has had so much time to speak.

Mr. Gibb *rose—*

Mr. Sheerman: I will not give way to the hon. Gentleman; I will give way only to Back Benchers.

The hon. Member for Harrogate and Knaresborough (Mr. Willis) is absolutely right. There was a strong case for splitting the bodies, and having a separate qualification development agency. Of course, the idea has developed over time, and the development is partly the result of nudging from the Select Committees. The Children, Schools and Families Committee has not yet finalised its report on the national curriculum, but my view is that we have needed a strong, independent voice on the national curriculum and curriculum matters for a long time. Very few people have mentioned the issue today; I am surprised that the Front Benchers did not mention it at all. If we really want a robust curriculum, independence and integrity are needed, and we need the issue to be considered over the long term.

Mr. Gibb: Will the hon. Gentleman give way on that point?

Mr. Sheerman: No. I am not giving way to Front Benchers; they get far too great a share of speaking time in the Chamber.

Mr. Graham Stuart: Will the hon. Gentleman give way to me?

Mr. Sheerman: Yes.

Mr. Stuart: I am extremely grateful to the Chairman of the Select Committee. Does he agree that something else is required: the will on the part of Ministers to resist regularly intervening and interfering? Intervening and interfering takes away a culture of independence and undermines the system's ability to work in a thoughtful, long-term way for the benefit of learning.

Mr. Sheerman: My hon. Friend makes a good point—I mean the hon. Gentleman; it is hard to get that right when Opposition Members are on the same Committee as me. The fact is that in politics, we all like to deal in conspiracy theory. We all want to believe that a Minister rings people up and says, "You do this for me or there'll be trouble," or, "Do this or you'll never get a renewal of your contract." In my experience, if a Minister—they are only in post for a couple of years before they move on, anyway—had phoned up Ken Boston and said, "Ken, I want you to do this," Ken, being an Australian, might have used pretty strong language in response. We might all talk about issues of political independence, but although there might be drift and there might be cases of people getting a little bit too chummy, I have seen no evidence of overt political interference. We need the two bodies to work properly, we need to ensure standards over time, and we need an independent curriculum watchdog if we are to get the curriculum right over time.

I want to make a couple more points, generally on issues that arise from the Select Committee's inquiries. I cannot resist mentioning local government's new responsibilities towards young people with a custodial sentence. I am a bit worried about that, because there has been turmoil. The Education and Skills Committee, as it was, only got a handle on education in prisons when the Home Office lost responsibility for the issue and it passed to the Department for Education and Skills. We could then get involved. We held a thorough inquiry on the state of education in our prisons—it is still not very good. Most people know that. The hon. Member for Buckingham (John Bercow) knows extremely well how we feel about the fact that many people in prison or in custody have such a poor record when it comes to their start in life; they may have been in care, or may suffer from all kinds of special educational needs.

It worried me when we saw the chaos brought about by Government changes to policy on the National Offender Management Service. We all know about the NOMS fiasco and what it did to prison education and much else. The Prison Service is still recovering from that, and now there is to be yet another change. Surely we need a consistent national approach to the educational needs of people in custody; looking at the Bill as printed, I am not sure how it is to achieve that.

Dr. Roberta Blackman-Woods (City of Durham) (Lab): I hear what my hon. Friend says, but would he accept that there was similar concern when primary care trusts were given responsibility for the health of prisoners? There was some anxiety, but those fears were not borne out in practice. We know that health services for prisoners have improved. Surely that evidence suggests that when

local authorities get responsibility for education for young people in custody, they should provide them with a better service?

Mr. Sheerman: This is one of the first times that my hon. Friend and I have disagreed about anything in public. The change with regard to health was absolutely right; it works well. I am worried, because I do not know how the education and training side of things will work, and how we will ensure consistency in a very difficult area. Like or loathe him, David Freud and I have discussed how we can change prisoners' lives, and I think that he is absolutely right: we cannot focus on just one aspect of a prisoner's life, such as education or skills, and leave out housing need, addictions and other issues. We have to provide the full Monty, either when the person is in prison or when he or she comes out. It is a complicated job. My right hon. Friend the Minister for Schools and Learners may put my mind at rest, but at the moment, the custodial side of things worries me a good deal.

It also worries me a bit that local authorities are to take over careers services. I have been around long enough to know that the last time they did so, they did not provide them very well at all. As a result, that responsibility was taken away from them. I want to make sure that the next bunch who do it, do it well. I am co-chair of the Skills Commission with Dame Ruth Silver. We looked at the information, advice and guidance. It is changing fast in a changeable and challenging area, and I am not sure whether the local authorities have the right tools to do the job. I am worried that many local authorities are ceasing to hold open competition and to use good private sector expertise in delivering information, advice and guidance. Again, under the Bill, I am not sure how that will work out. Does the Minister want me to give way? I will make an exception and give way to him, although he is on the Front Bench.

Jim Knight: I am staggered at my hon. Friend's generosity in allowing me to intervene from the Front Bench, without my even asking, given what he has said about Front Benchers' interruptions. The main legislation on the issue was the Education and Skills Act 2008. We said then that the information, advice and guidance standard would apply and would be rigorously enforced. The Bill before us seeks to ensure that that careers advice includes advice on apprenticeships. That is a significant and important part of the Bill, and we will continue to work with local authorities to make sure that they improve information, advice and guidance.

Mr. Sheerman: I thank my right hon. Friend for that; it leads nicely to my conclusion. I want to put my remarks in context. I am trying to be fair; I am Chairman of the Select Committee and I am trying to apportion blame fairly, but I must say that it is a great shame that the hon. Member for Surrey Heath, who speaks for the Opposition on Department for Children, Schools and Families matters, is not present. I have been Chairman of the Select Committee for some time, so I have been to more schools than most Ministers, as they have not been around for as long as me. I go to about three educational settings a week. Whatever the banter in the Chamber between the two main parties, in the past 10 years or so, I have found that progress on educational standards has improved dramatically in the schools to which I go. I go to schools up and down the country, to early years settings, to primary schools and to secondary schools. I can see a real change in our education system. I hate it when *The Times*, *The Sunday Times*, and perhaps some of the cheaper newspapers, go on and on as if there was everything wrong and nothing right with the state system of education. I think we have a fantastic state system of education. In *The Sunday Times* where—I shall be kind—a former chief inspector, has a regular column, there is a pernicious drip, drip, drip, to the effect that any sane, intelligent, middle-class person with the income will send their child to independent private education. That is an insidious message that says that people who send their children to state education are in some way lesser beings.

I find that state education is fantastic. I have four children. They all went to state education and they are all doing all right. I recommend to all hon. Members that they support the schools that the vast majority of their constituents send their children to. It is a very good example. I say that to many vicars as well.

In conclusion, I am a little worried that at a time of recession, we are changing an awful lot of organisation on the ground. In the Select Committee report, we warned the Government. We asked them, at this late stage, to hold off changing again the whole learning and skills structure and the way training is delivered. No sooner do people out there get used to something when some politician tries to change it. The Minister for Schools and Learning, who is having a private conversation, knows that that is the truth.

The Government want employers in small and medium-sized enterprises to endorse the system. I know the Minister spends a great deal of time in his constituency. If he goes, as I do in Huddersfield, to small and medium-sized businesses and asks why they are not taking on apprentices or skilling up their work force, it is because they find the system so darn complicated that it puts them off. I join the Opposition in highlighting the complexity of taking on an apprentice and the difficulty of understanding all the acronyms, which are all about to change, making it even more difficult for the people at the grass roots.

Having evenly shared out my bouquets and my barbs, I thank you, Madam Deputy Speaker, for your generosity in letting a Back Bencher speak for so long.

6.32 pm

John Bercow (Buckingham) (Con): It is a pleasure to follow the Chair of the Children, Schools and Families Committee, the hon. Member for Huddersfield (Mr. Sheerman), to whose thoughtful contribution I listened with respect. I declare an interest as an adviser to the Priory Group, which owns a number of special schools around the country.

I start by offering strong support to the proposal in the Bill to give statutory recognition to children's trusts by mandating the creation of children's trusts boards in every part of the country. It is important in this context to underline that the children's trust is not some abstract, esoteric philosophical construct divorced from the reality of public service delivery and children and young people's opportunity. On the contrary, the children's trust is or should be the embodiment of the local partnership

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between the commissioners of services for children, young people and their families, and the providers of those services.

As such, the children's trust has a responsibility to spearhead the process of integrated commissioning across education, social care and health services. Necessarily in the process if it undertakes that work, it will bring together and work with local authorities, primary care trusts and social services departments, but it does not end there. Very likely, if the work is done properly, it will involve the children's trust's interaction with and learning from a range of other organisations—for example, the Connexions service, youth offending teams, Sure Start children's centres, the police service, housing services, leisure services and voluntary organisations.

I am not sure that there is adequate recognition of the significance of the children's trust. The difficulty is that five years ago, for entirely understandable reasons, the Government did not want to invest those trusts with too much formal responsibility. They were susceptible to the criticism if they did so, local discretion would be unduly fettered or constrained. The result is that on the ground there may be a children's trust, but in many cases there are what are amorphously known as children's trust arrangements, and they are not as specific or explicit as a children's trust.

My hon. Friend the Member for Surrey Heath (Michael Gove), the shadow Secretary of State for Children, Schools and Families, said in his contribution that the track record of the children's trusts so far had been chequered at best and subject to ferocious criticism. There is no denying that last year's Audit Commission report is very critical of the work of the trusts so far. It says, among other things, that the trusts are guilty of a failure to distinguish between strategic, executive and operational issues.

The report laments the fact that many of the representatives on those children's trust boards that exist lack a mandate from their sponsoring organisations to offer a view about policy or, more particularly, to commit resources. It rues the reality, too, that there is often among the members of the trusts little or no experience whatever of the process of joint commissioning, which the Government believe to be integral to the future successful delivery of services to children, young people and their families.

When I undertook a review of speech, language and communication services for children from 0 to 19 for the Government between 2007 and 2008, it was also my sense, regrettably, that in respect of health and education services, all too often there was a tendency to commission separately, based on different understandings, different priorities and different processes. The Audit Commission is justified in saying that so far, over the five years, there is little evidence that the trusts have made a substantial difference to outcomes for children, young people and their families, but the burden of my contention is that that is not of itself an indictment of the notion that there should be children's trusts or joint commissioning arrangements. Rather, it is a reflection of the reality that all too often those trusts are themselves intangible.

Going round the country, I wanted to see the trust, to hear the trust, to smell the trust, to recognise the trust in action, and I would often ask besuited individuals of great seniority in the commissioning or delivery of local services whether there was a trust in that area, of what it consisted, and what it was doing. I have to say that I was greeted, in a multiplicity of places around the country, with answers of quite the most stupendous and unsurpassable eloquence, at the end of which I was absolutely none the wiser as to whether anything was being done on that front. That leads me to say that at least on the surface there would appear to be a good Government case for changing the arrangement and offering a degree of a lead from the top in saying that there should be statutory recognition.

Annette Brooke (Mid-Dorset and North Poole) (LD): I thank the hon. Gentleman for giving way, and for making some of the points that he is making. Does he agree that those varied and nebulous organisations are difficult to scrutinise, and that it is difficult for a parent, for example, to challenge a decision that might go back to the children's trust?

John Bercow: I certainly do agree with that. If there is no obvious point of accountability, it is not clear where people can get answers or services or, in the absence of answers or services, recompense for themselves, their children or their loved ones. The absence of a robust structure is something of a problem.

In the Government's consultation on the subject, there was substantial—around two thirds—support for the idea of giving statutory recognition to the children's trusts. If we look at organisations that are daily involved in the provision of children's services or that are concerned with the well-being of children, we see that there is support for the proposal from the National Society for the Prevention of Cruelty to Children, for example, and from the Children's Society. I suppose that what I am really saying is that although day-to-day intervention in the minutiae of the local operation of a trust is entirely inappropriate, there is a world of difference between such fussy interference on the one hand and on the other the establishment of a clear structure, for which I am calling and which it seems the Government now propose to introduce. If anything, so far and with good intentions, the Government have been too permissive on the subject; there is something to be said for an element of prescription.

I say that because when we are talking about children's services, and in particular about the commissioning and delivery of services to children and young people with special educational needs, simply leaving a complex mosaic of disparate and unrelated local organisations, each with its own important agenda, to go about the process of pulling together, is a triumph of optimism over reality. When there is such a laissez-faire approach, the interests and needs of the most vulnerable and potentially marginalised children and young people are often relegated or ignored. That is why I suggest that the process needs to be driven. The joint commissioning that we want will not just happen; there has to be leadership, teamwork and a set of processes that will translate aspiration to fact.

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): I am most grateful to the hon. Gentleman for giving way during what is, as usual, an eloquent and perceptive speech.

One of the great concerns in my constituency is the number of young people who, despite all the good work so far, are still progressing through primary and secondary education without their needs being identified; sometimes quite profound underlying difficulties and problems are not picked up. Does the hon. Gentleman see a role for the children's trust boards to be much more proactive? They could, for example, go to the GP sector or the schools themselves, say that such children are slipping through the net in large numbers and ask what is being done about it.

John Bercow: The short answer to the hon. Gentleman is yes. The children's trust should have the responsibility to assess need, decide on the appropriate mix of services, secure the appropriate resources, commission the services and facilitate their delivery, and judge the quality of the services. There should then be the potential to refine or significantly alter the provision.

I say to the Government and the House that we have had a panoply of important Government statements on commissioning. We now need to move on from those statements to a framework for improvement. We have had the joint commissioning framework, the commissioning framework for health and well-being, world-class commissioning, the operating framework for the national health service and the children's plan. Each and every one of those important documents bangs on about the need for, and potential benefits to be derived from, joint commissioning. Yet in many cases—most, I fear—such commissioning has stalled on the ground. The Government are right to take the step that they are taking. Children's trusts can be the vehicle for the very improvement that we all want.

Mr. Willis: As ever, the hon. Gentleman is making a powerful case. Five years ago, I suspect that I would not have agreed with him; I would have thought that the local authorities could do most of the work themselves. I now totally agree that there needs to be an umbrella organisation to bring the organisations together.

Does the hon. Gentleman share my concern that the drive to pass this legislation and set up the new Young People's Learning Agency will result in a whole set of transfers of functions to local authorities, particularly in respect of 16 to 19-year-olds and of 19 to 24-year-olds with special educational needs? The need for the trust to be able to develop the young people's plans is so crucial. In some ways, organisations should be put on hold so that we do not get flawed plans and that there is independent scrutiny to make the plans worth while.

John Bercow: I confess that I am uncertain about whether the overall effect of the organisational changes will be beneficial; I think that the jury is out on the subject. I accept that to some extent I am ducking the hon. Gentleman's challenge, but I have focused my remarks and thinking very much on the younger end of the spectrum. As far as services for those people are concerned, and given the primacy of making a reality of early intervention, it seems that the statutory recognition route is the right one to follow.

I should also say something in support of the proposal to give statutory recognition to the children's centres and to require local authorities to establish and maintain sufficient such centres in every part of the country. Although those centres are by no means perfect, it is fair to say that they have made a real, positive and lasting difference to hundreds of thousands of people—if not more than 1 million by now—right across the United Kingdom. That is not something at which we should sniff or cavil. The centres are also responsible for securing or advising on the availability of education, health, social care and employment services.

The assessment would be that, in the round, the centres have done pretty well so far, although there is scope for improvement. There are no longitudinal studies on the subject, because the children's centres have not been in place for long enough to allow such. However, if we reflect for a moment on the reports that have been produced, we realise that they have not been insignificant by any means. There is the national evaluation of Sure Start, and there are reports by the National Audit Office, Ofsted and the Public Accounts Committee. They looked at different aspects of the services and provision of the children's centres and drew important conclusions.

First, the reports were pretty clear that, on the whole, the centres' services had led to an improvement in the quality of parenting and in the experiences of children—their social development and capacity for self-restraint. We should welcome that significant development. On the negative side, the thrust of the criticism has been that although the children's centres have had some success—they have done well in providing services to ethnic minorities in areas where there are large concentrations of ethnic minorities, for example—they have done less well in other respects. In areas without large ethnic minority populations, they have struggled to reach those small, vulnerable and needy minorities. That has been a significant challenge.

There has also been the problem of centres being unable to reach out to fathers in local communities, and that also needs to be addressed. The Public Accounts Committee felt that the centres needed to be clearer about the services, or the signposts to organisations that could help, that are offered to children and families with disabilities. There is scope for improvement.

What will result from, or be the benefit of, statutory recognition? The feeling in the consultation, in which 97 per cent. of respondents supported the case for statutory recognition, was that it would confer a greater legitimacy on the centres and that there might be a greater urgency about the consolidation and extension of the services of the centres around the country. A sense of security and a degree of permanence that would otherwise be lacking would be invested in the centres, and that would be conducive to long-term planning, efficiency and effectiveness. We should look seriously at the argument for statutory recognition; having done so, I come down in support of it.

The subject of funding was touched on in an abrasive exchange between the Secretary of State and my hon. Friend the Member for Surrey Heath. If memory serves me, when these centres were established there was annual funding of £721 million; this year, it is £1.573 billion; and in 2010 it will be £1.941 billion. That is a lot of money and a very concentrated resource. It was music to my ears when my hon. Friend affirmed, in terms which I fear brook no contradiction and avoid any doubt, that the Conservative party, when it comes into government next year, will continue precisely that commitment. That is of the essence, because warm

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words, empathetic gestures and isolated initiatives will not suffice to meet the needs of this case. If we are serious about securing early intervention, tackling social exclusion, furthering opportunity, extending life chances and facilitating social justice, this is a programme the merits of which we have to recognise and upon which we should build.

Mr. Laws: I agree with the hon. Gentleman, but I thought that what I heard from his Front Bench was a commitment to the total departmental budget, not to any allocation within it.

John Bercow: My impression was that my hon. Friend the shadow Secretary of State had made a commitment to the centres. However, the hon. Gentleman need not doubt for a moment that I will crawl over the minutiae—every word—of what my hon. Friend said. I hope that he made a commitment. If he did, I congratulate him; if he did not, he needs to make it. These centres are doing excellent work; they need to develop that work, and they require the financial support to do so.

I want to conclude with an unrelated observation concerning clause 84 on the election for apprenticeship scheme. I can see merit in what the Government are proposing, but I have a sneaking dissatisfaction with the terms of the clause as currently drafted. The requirement that to be successful in securing such an apprenticeship applicants should have to have level 2 or level 3 qualifications seems excessively arbitrary and draconian. I ask the Minister to reconsider that, for one simple reason: there will be young people around this country, perhaps on the autistic spectrum—I know of several examples—or with other special educational needs who are not academically equipped to succeed in examinations or whose school careers have been blighted by late intervention, a denial of opportunity and poor treatment, and who therefore have not gained qualifications but would be well suited to such an apprenticeship. They often have a particular interest in a given set of things and a fascination with how they work, as well as a sense of the priorities of the project and an ability to concentrate on it and make a real success of it. I simply say to Ministers that, in the understandable quest to guarantee that certain standards are set and maintained, they should not be arbitrary and give up the opportunity for of some very vulnerable children and young people to gain access to qualifications from which they would benefit.

The Minister of State, Department for Innovation, Universities and Skills (Mr. David Lammy): The hon. Gentleman makes a good point. That is why I hope that his hon. Friends on the Front Bench will withdraw their continued opposition to programme-led apprenticeships that prepare young people in college so that they can make those steps towards work-based apprenticeships. There is some confusion about what we are seeking to do in this respect. He will know that many organisations, such as the Prince's Trust, work very well with these young people.

John Bercow: The hon. Gentleman credits me with a level of detailed knowledge of the precise thought processes and current policy positions of my hon. Friends on the Front Bench that I do not possess. On that basis, I am inclined to resile from that particular challenge.

I have calculatedly focused on those aspects of the Bill that I especially welcome, and I make no apology for that. I would like to think that in certain aspects of children's and young people's policy we could start to develop a genuine consensus that will endure irrespective of which party happens to be in office at the time. We all talk about trying to do the right thing in the national interest irrespective of party politics, but that is the approach that I am taking. Important parts of this Bill are extremely welcome. I wish them success and hope that they achieve what I believe they can, and what I know Ministers want to see.

6.54 pm

Mrs. Sharon Hodgson (Gateshead, East and Washington, West) (Lab): I am pleased to be able to speak in this Second Reading debate. You may be pleased to hear, Madam Deputy Speaker, that I will keep my comments short because, like many other hon. Members, I am used to having to curtail them to a set time, although I notice that today there is no such set time. It is perhaps a shame that Front Benchers did not do the same.

I wholeheartedly welcome the Bill. In the interests of brevity, I will be unable to mention all the parts that I consider important, because there are so many. It is gratifying to see that it is being taken through by two Government Departments working together to achieve the best results for the people whom they serve. The focus on apprenticeships does much to consolidate the Government's commitment to them for many years to come. I understand that in 1997 barely 15,000 young people completed apprenticeships in a year and that that number has now leapt to well over 100,000. I suppose that that is no surprise when we consider that in 1997, when the Conservatives were in power, the amount of public funding for apprenticeships was precisely zero.

The briefings that I have received on the Bill have had one thing in common—they all welcome it. They do so because they recognise its commitment to building the skills and potential of people, and that this commitment can only enrich the skills and potential of business. I welcome it for that reason, and for many more. I am delighted that it will place the legacy of Sure Start and children's centres on a sounder legislative footing, meaning that they are not left at the mercy of those who may not value the ongoing contributions to the community made by centres such as those in Felling and Washington in my constituency. Having said that, it sounds as though Conservative Front Benchers may now have made a commitment to support such a secure future for children's centres and Sure Start. I, too, will read in detail the Opposition spokesman's comments.

It is good to see greater support for nurseries. I know from my own experience in Gateshead that local authority flexibility can be key in delivering nursery places for local children. There will always be a need for such local flexibility, and I hope that the right balance can be found between that and the Government's laudable desire to boost support for nurseries.

As hon. Members may know, I am committed to trying to raise awareness in our schools of the extra challenges faced by pupils with special educational needs and medical conditions. The recognition provided for school support staff in the Bill will give professionals

whose role is not primarily to educate pupils the chance to have a voice that should enable them to build on their skills to make pupils' needs a priority. There are concerns among trade unions—as alluded to by my hon. Friend the Member for Blackpool, South (Mr. Marsden), who is no longer in his place—that the current wording of the Bill may not enable those thousands of staff to secure the upturn in pay and conditions that they deserve. I know that Ministers will be keen to ensure that in granting such a voice to support staff, they do not allow any loopholes in the legislation to remain, so that that voice would fall on deaf ears. Furthermore, the right to request time to train should help, in time, to create a culture of ongoing learning for professionals. I hope that that right will be exercised by all professionals, especially teachers, in order to ensure that no one is asked to do a job for which they feel inadequately prepared. This should not be seen, as it is by some, as a back door route to skiving, but as a chance for employer and employee to seize mutual benefits wherever possible.

There is much more to welcome, but time is pressing on. A barrage of plaudits and praise may sound like music to Ministers' ears, but I want also to take the chance to provide some feedback. I want to sound a note of caution about two broad issues, based on experience; those affected by some of the proposed changes are only too right to want to see those issues flagged up.

I was contacted last week by the North East chamber of commerce. I have plenty of experience of the north-east and am aware that the North East chamber of commerce is the only chamber of commerce of the region. Its members also employ 30 per cent. of the regional work force, so it was no surprise when its briefing made it to my in-tray and caught my attention. Like me, the North East chamber of commerce is an ardent advocate of the north-east. That is why I am keen to highlight its concern that the Young People's Learning Agency, tasked with providing education and training to young people, should not lose a clear sense of strategic direction or indeed any expertise when its work is implemented at a local authority level. We need to ensure that an effective sub-national structure reflects regional variations in the circumstances of young people and the requirements of employers. The Learning and Skills Council has done a good job of taking account of both those factors and it is vital that such an understanding is maintained.

The changes set out in the Bill are far-reaching and I have already commented on how far apprenticeships have come thanks to the Government's ongoing endeavours. I mentioned earlier that North East chamber of commerce members employ 30 per cent. of the regional work force. Given that last year in my local authority areas more than 3,200 apprenticeships were undertaken, it is a fair bet that many of the employers leading such schemes are members of the chamber of commerce. It is therefore wise to listen to their concerns about the potential turbulence that will be experienced during any period of flux while the proposed changes are introduced. The split responsibilities of the Young People's Learning Agency and the Skills Funding Agency, for commissioning and for funding and resourcing, will need a watchful eye to be kept on them.

I urge Ministers to recognise the way in which the north-east is responding to the current economic difficulties. We recently suffered a bitter blow with the loss of 1,200 jobs at Nissan but partners across the region have been quick to pull together and to work together. Nissan showed a willingness to invest in its workers, working with Gateshead college to secure training. That desire to develop the work force is reflected in the bid for further funding now before DIUS ministers. There are nearly 20,000 apprentices in the region and there is a willingness to gain the new skills that will unlock new opportunities. Ministers should grasp the chances across the region with both hands.

I asked Ministers at the end of last year whether they were aware of the potential for some apprenticeships, such as the employer-led programmes run by the charity Rathbone, to fall foul of the new legislation. I know that Ministers want to use the definitions of apprenticeships to avoid any unscrupulous exploitation, and that is laudable and right, but it would be good to have further assurances that such valuable charitable projects will not be impeded by the legislative changes. Rathbone places young people with poor behavioural and educational records with employers and we should do all we can to support its efforts.

Another aspect of the Bill affects children and young people with special educational needs. It is great to see that so much attention has been paid to ensuring that the changes in the Bill will benefit all children and young people. It builds on DCSF's agenda for supporting children with special educational needs and will complement the Aiming High for Disabled Children programme, the children's plan, the eminent Bercow review, the Lamb inquiry, the Rose review and the forthcoming Ofsted review.

May I also say how encouraged I was to hear the Secretary of State's remarks about the steps the Government plan to take on autism following the forthcoming Autism Bill? I know that there is a great strength of feeling that we must strive to improve services for children with autism and other special educational needs. It is good to see that that aim is uppermost in Ministers' minds. I want to reiterate the hope of the autism lobby that local authorities will seek to consider the needs of disabled children at all times when considering their plans for children and young people.

There can be no doubt about the Government's commitment to children with special educational needs, but none the less I want to raise one or two queries that I believe might need further examination in Committee. Like many other Members, I have received a briefing from the Special Educational Consortium, which is, as ever, thorough and well considered. It states:

> "The duty to carry out a robust needs analysis and audit provision is an integral part of the widely-supported sufficiency duty in the recent Childcare Act and should be mirrored here."

We need to know whether local authorities that are taking on extra responsibility for provision will be audited to ensure that they come up to scratch. One of the purposes of my private Member's Bill, which is now the Special Educational Needs (Information) Act 2008, was to try to ensure a greater spotlight on local authority performance in order to highlight best practice. Identifying and supporting all needs will be integral to the success of the transition of responsibility and I hope that Ministers will find a way of ensuring some means of monitoring performance and outcomes for pupils.

[Mrs. Sharon Hodgson]

It is good to see that the Government's Every Child Matters goals continue to be reflected in the Bill, and the duty on local authorities to promote well-being is to be welcomed. Given the new obligations on local authorities with regard to post-16 education, it would be good to know if the duty to promote well-being will be carried over, as it should be if we are to ensure that the system has an inbuilt commitment to the future of young people.

My final point concerns the welcome reforms in prison education. We know that there is a far higher prevalence of special educational needs among the prison population and that greater demand is therefore placed on those who teach that population. It takes special skills to deal with special needs and that is why statements are issued for those with the most severe needs. We must not give up on those who are in prison, and I hope that Ministers will consider stating explicitly that statements will be recognised in prison education as they are in any other educational provision.

Overall, the Bill represents a Labour Government doing what they do best: working together to improve the opportunities available to all. During the transition from the school corridors to the workplace, young people can easily find themselves getting stuck or facing a few bumps along the way. In the current climate we cannot ensure that things will go smoothly for everyone, but the focus on skills in the Bill should create a lasting legacy for many millions. In a society where a job for life is becoming a thing of the past it is worth remembering that while many of the challenges we face are temporary, skills are permanent.

7.7 pm

Mr. Tim Boswell (Daventry) (Con): May I begin with a brief tribute to Lord Dearing, to whom I referred in my intervention? I had some experience of working with him and of his working for me during the 1990s, and I thought that he was an exemplary public servant: calm, rational and clear. He always had an underlying sense of values and decency that was greatly appreciated by all those from every party who came in touch with him. I think that this debate has generally been informed by those values. One or two people have sometimes fallen below that level and have resorted to political rhetoric, but I shall leave the House to draw its conclusions on which Members I have in mind.

I should say that procedurally I deprecate the portmanteau Bills that come along with everything that a Department—or in this case, two Departments—can trawl up. It means that Back Benchers, other Members of Parliament, Select Committees and even Ministers themselves cannot focus on all the powers. I doubt that there is a single person in the Chamber who has read every one of the 214 pages of the Bill and I am quite sure that nobody will have equivalent focus across the different sectors that are referred to.

Secondly, I think that it is an index of the problem of legislative indigestion—perhaps it is the last clutches of a dying Government—that the provisions have all been pushed through two Select Committees in draft and we had only just commented on them and received a Government response before we moved on to the substantive legislation. However, we will make of it the best that we can.

I have three interests to declare. First, I am a fellow of City and Guilds, which is an examining and awarding body. I am on the Skills Commission and I was—15 years ago, now—a Higher and Further Education Minister. The amazing thing about that is that we reorganise in one direction and then we rereorganise in another. The issues do not change; it is just the way we are going at the time that seems to be different. I am proud to have shadowed—some eight years ago—the establishment of the Learning and Skills Council by this Government, and even more relieved to be playing my part in laying it to rest.

I am not going to refer to the provisions dealing with those of compulsory age except in two respects. First, I commend the remarkable presentation by my hon. Friend the Member for Surrey Heath (Michael Gove) on concerns about school standards. I absolutely agree that we should not conduct this debate at the level of the saloon bar. Proper, independent evaluation and reassurance are needed. That is important for pupils, who need to know that what they are getting is valuable, for their parents, and—perhaps that was not quite brought out—for employers too. We all need such reassurance.

Secondly, I would like to put in a word for those not in education, employment or training—the NEETs—who may be in short-stay schools, or however those are to be renamed. I had a positive experience in my constituency a few weeks ago when I met a group of NEETs who were taking part in an intensive, well-structured programme led by the voluntary sector. I was surprised by what took place. We sat them down and engaged with them intensely, listening to what they had to say—not always a strength of Members of Parliament, in my experience—and suddenly one could hear a pin drop. They wanted to communicate, and I thought, "What a waste," and what a sad thing it was that we had to put in all that intense effort to begin to recover their interest and enthusiasm. But I think that we all want to do so.

If I am empanelled to serve on the Committee, I may want to say something about the difficult technical interactions concerning qualifications and the new Ofqual, but I shall leave that to one side today. More generally, I am concerned about the architecture and fit of the provisions for adolescents and adults, now beginning to separate out in turn, alongside those for the compulsory years. That has always been a problem for the ministry—however described—dealing with education. It is difficult to know where to draw the line between compulsory years provision and later provision, which is, in a sense, voluntary or optional, although that demarcation has changed. As far as the providers are concerned, sixth-form colleges, of which there are fewer than 100, will be stranded among a much larger number of schools, while general or specialist FE colleges will be detached because the Skills Funding Agency will be adult-based. All those below the age of 19 will be a matter, more or less, for the local authorities—a reversal of the 1992 changes—along with the young persons authority. In turn, that will tend to diminish further the local authority commitment to community education and lifelong learning, to which I am strongly committed.

I know that Ministers, particularly in these Departments, are bound to be erudite, but I am always amazed by their ability to forget the prescriptions of Occam's razor, which translate here as, "Do not multiply the number of entities unless it is absolutely necessary." They have

performed the amazing trick of creating more agencies than they are replacing. I recommend that Ministers modestly consider the report that our Innovation, Universities, Science and Skills Committee produced post-Leitch, particularly the wiring diagram on the front cover prepared by the National Audit Office—not drawn up by us—on how everything fits together. That shows how complex the situation is, and if it is complex for us as relative specialists, how much more difficult must it be for employers, parents and pupils to understand what is going on?

There is a separate monograph to be written, but not to be delivered tonight, on the importance of the transitional arrangements for the various parts of education provision. As those in the military know, it is at the point of transition that there is a point of weakness. If the baton is not carried on well, provision is not secured. That idea has been behind the specialist representations we have all received on special educational needs and prison education. There may be interesting juridical problems, because one could argue that it would be discriminatory if prison education, to which I am strongly committed, were not provided with the ability for people to carry on with their statements. I suspect that there may well be litigation about that.

There is also a practical problem. There are three penal establishments in my constituency, one of which is at least partially still a young offenders institution, and one a secure training centre. They are located so close to the geographical edge of my constituency that it is impossible to access them without going through another county. In fact, it took five years for me to persuade the Home Office that they were in my constituency, and now they will have to be served by Northamptonshire county council. I do not cavil about that authority; Ministers have grumbled about it recently, but I shall leave that for another occasion. Given the nature of prison education, it is difficult to get the same moral commitment to it that any county would wish to give to its schools.

I shall wrap up my comments on those elements of the Bill with a slightly more strategic view before I come to the aspect I want to focus on. First, not merely from nostalgia—because we enjoyed such a process in the 1990s—I commend the thinking of my hon. Friends on the Front Bench on the need for a light-touch funding agency. Secondly, we must ensure that further education colleges, and other education and training providers, are not subverted by excessive bureaucratic interference, as they were in recent years, or by a skewed funding model that distorts their provision. Thirdly, I do not believe that the Bill puts sufficient emphasis on the self-starting model of education. That includes the importance of skills accounts, and I entirely endorse the comments of the hon. Member for Blackpool, South (Mr. Marsden), a fellow member of our Select Committee, about the importance of such provision, and the importance of routes into adult learning. That may be a more diverse view than a purely instrumental one, but it has been my view all the time when considering such matters, and I still assert it.

Mr. Graham Stuart: My hon. Friend serves on the Innovation, Universities, Science and Skills Committee, while I serve on the Children, Schools and Families Committee, which gives us different perspectives. He has talked about the plethora of agencies created by the Bill, but does he have any thoughts on the position of FE in relation to the Departments? Through the agencies, FE will be responsible to the Department for Children, Schools and Families and the Department for Innovation, Universities and Skills. Does he wonder whether that will have various implications that we might struggle to think through?

Mr. Boswell: I strongly endorse that comment. I have never been happy about the split. I know that there are reasons for it, but it has just created another difficulty. It could be argued that the somewhat arbitrary decision to divide the Departments has driven some of the changes in the Bill—changes made in order to mirror those departmental changes.

I now come to my main comments on apprenticeship provisions. We looked at the draft provisions in our respective Select Committees, and believe they can be made reasonably fit for purpose. For the first time in recorded history, the word "apprenticeship" at least comes first, rather than as an add-on to a piece of legislation—or perhaps it is not quite the first time. We should always pause before we legislate, and in this case we should do so to reflect on the fact that the sector was historically heavily regulated. I refer of course to the Statute of Apprentices 1563, which survived in force substantially for 250 years. For most of its last century, from the reign of good Queen Anne onwards, it provided an invaluable source of revenue to the Government through stamp duty on indentures—an early form of stealth tax perhaps. The whole thing was too narrow, too bureaucratic and too inflexible. We must remember such pitfalls when codifying rules for apprenticeships, apprenticeship frameworks and the qualifications, and all the safeguards. I see that the Minister is nodding about the importance of quality and so on. We must not have a negative outcome because things are too complicated, when we could have a positive one with a simple system that is fit for purpose.

In particular, we need to take account of the industrial interests that have made representations to us—the CBI, the Association of Learning Providers and others, some of which the hon. Member for Gateshead, East and Washington, West (Mrs. Hodgson) mentioned. I shall summarise those representations briefly.

It is really important that the frameworks that are set up have the hand of employers on them and are designed by employers, not invented by academics as though they were in employers' interests. I endorse the view that was often expressed in evidence to the Innovation, Universities, Science and Skills Committee that the system also requires trade union involvement, because both sides should be engaged in getting the right framework.

Secondly, there need to be links to employers in real workplaces. We could get ourselves into unnecessary theological distinctions about programme-led apprenticeships, but my view is that a programme provided and delivered in further education or by a specialist charitable provider may be useful and worth while in itself or in preparation for an apprenticeship, but it is not a replacement for a work-based experience.

Mr. Lammy *indicated assent.*

Mr. Boswell: I notice the Minister nodding; I think that we might have reached a common understanding.

[Mr. Boswell]

There is a need for great articulation between the diploma system, which one hopes will lead on to apprenticeships, and further progression to higher education. I have seen outstanding apprentices, and I hope that many of them will proceed to higher education, perhaps as mature undergraduate students or for continuing professional development. We must ensure that that gateway is kept open.

We need to emphasise the role of group training arrangements, particularly for small and medium-sized enterprises. I participated in such arrangements myself years ago, and they are valuable for the smaller employer. We must also ensure that that national apprenticeship service actually operates as a service, rather than obstructs providers. We have heard the list of the various requirements currently set out, which are too onerous. We should also reconsider guidance services. I remain a fan of a single guidance service, from cradle to grave, as it were, because every individual has one career. We might not get that—we will need to scrutinise the Government's new proposals both at the school end and at the adult end.

I wish to mention some specific problems. First, adequate funding for adult apprentices is needed, bearing in mind the fact that most people who will be in the work force in 2020 are already in it. Secondly, there is an interaction between the need for part-time apprenticeships to be provided and the need for provision for women. We understand that there is a problem in the case of part-time students, but we need to do something really good for those who can do a part-time apprenticeship and then develop and get a full qualification in due course. Ministers need to pick up on their responsibility and obligation to such people, particularly given the current economic conditions in which, sadly, redundancy may cut in. We cannot have people losing their undertakings and having to go back to square one.

That brings me to the elephant in the room, which is the present economic downturn. The Secretary of State for Children, Schools and Families sometimes talks as though his aspiration were itself equivalent to achievement, which he has not yet secured. I held office as Under-Secretary in the then Department of Education when we were recovering from the last downturn. Perhaps we promised rather less in relation to participation—a subject to which I have always been committed—but perhaps we achieved a little more. All of us, on whichever side of the House we sit, can join the party and focus on real vocational skills and enhancing and developing career paths. The problem lies on the supply side. If Ministers can put into access to apprenticeships just a tithe of the effort that they have put into access to higher education in recent years, that will be critical. It will partly involve the use of the public sector, and public funds will probably be needed to support apprentices in the private sector.

We must get apprentices in and give them an attractive framework so that it is enjoyable and constructive to be an apprentice. We must give people every support to persist with their courses to the end, wherever possible at level 3. We will not be able to do that unless we can win the confidence—the buy-in, to use the jargon—of employers in all sectors and of all types and sizes. We must convince them that there is a business case for a skilled work force, both now and when the upturn eventually comes.

Of course, I am prepared to concede Ministers' genuine desire to broaden opportunities for all our people and give them access to high-quality provision. That provision will not come through higher education alone, and should never have been seen in that way, although sadly some commentators do see a future for young people only in those terms. We have always wanted, and are building up, the potential for a high-quality vocational route through both the apprenticeship structure and appropriate qualifications. I hope that Ministers may remember that they are building on the concerns of Members of all parties, and that work to ensure that that comes about has been going on for longer than they acknowledge. We can all make an incremental contribution to that work.

There will be life after the current generation of Ministers and their Government have passed from the scene, so I ask them to exercise a bit of humility. They must avoid hype, hubris and empty bombast. It is a matter of faith, but one worth sharing in the Chamber, that we can all make progress in this area in difficult times. However, we must work hard to ensure that the details of legislation match the aspirations that we are setting out this evening.

7.26 pm

Mary Creagh (Wakefield) (Lab): It is a pleasure to follow the hon. Member for Daventry (Mr. Boswell), who managed to avoid party political attacks until right at the end of his speech.

I should like to take the House back to last November and Wakefield college's graduation ceremony, which I attended in our city's great cathedral. The graduands processed through the Saturday morning traffic, stopping it, and walked through the crowds of shoppers to take up their places and emerge into our city as graduates. They brought with them their parents, partners, teachers, children and friends—the people who had supported them through their years of hard work and studying, months of revision and assignments and weeks of waiting anxiously for their results. I watched them leave the cathedral and go out to eat a delicious buffet created for them by Wakefield college's catering staff and students, who do a mean egg mayonnaise sandwich. They went out into the world with the confidence that a degree brings.

Without the hard work of their teachers and the support of the college, those people would be facing a changing job market unskilled and unprepared. Investment in higher and further education is an investment in the future of those young people and the future of Wakefield. Investing in skills in the Wakefield district is really important, because a quarter of the people who work there have no qualifications, which is the highest rate in the region. More than 39 per cent. of working-age people there have no qualifications, and just 18 per cent. of our work force have degrees. For us, the Bill is no academic debate but is vital to the future of the city and the district.

Wakefield college has to work hard to attract its students. In 2006, just 68 per cent. of school leavers in the district stayed on in full-time education, the third lowest rate in the country after Barnsley and Salford. That rate is lower than both the national average of 78 per cent. and the regional average in Yorkshire,

which is 73 per cent., despite the Government's many initiatives such as the education maintenance allowance, which they introduced to help students from lower-income families to stay on in education.

I tell Ministers that raising the school leaving age to 18 in six years' time will transform the life chances of young people in Wakefield. Schools in Wakefield city have no sixth forms, so the college is the only route to further education for young people in the area. A-levels, apprenticeships and national diplomas are all offered, and a new campus opened this month at Whitwood in the constituency of my right hon. Friend the Member for Pontefract and Castleford (Yvette Cooper). It cost £31 million to build, with a 10 per cent. contribution from the Learning and Skills Council. That campus will focus on entry-to-employment courses and vocational education in the north-east of the district, which has the greatest difficulty in attracting young people to, and retaining them in, further and higher education.

I was concerned to learn that the funding for rebuilding the college's city centre campus has been put on hold for three months. However, unlike the hon. Member for Surrey Heath (Michael Gove), I will not engage in shroud waving. The council has had approval in principle for the £67 million project, with £40 million due to come from the LSC and the rest from a bank loan and capital receipts. It is imperative that learners in the city have access to first-class college facilities, and the building forms part of the regeneration of what will be the new merchant quarter, which includes a new city centre train station and a new living and working area at the gateway to our city. I have met the Under-Secretary of State for Innovation, Universities and Skills, my hon. Friend the Member for Birmingham, Erdington (Mr. Simon) and been reassured by that meeting. The principal of Wakefield college and I met my hon. Friend a few weeks ago to impress on him the need for the new facilities in Wakefield.

It is also vital to expand the higher education opportunities in the district. That has become critical since the university of Leeds pulled out of the Bretton Hall performing arts centre in the wonderful Yorkshire sculpture park—I encourage all hon. Members to pay it a visit in the next recess. It is a fantastic place—500 acres of country park, with the finest sculptures of Henry Moore and Barbara Hepworth dotted among the sheep. I impress on Ministers the necessity for a speedy final decision by the LSC.

It is instructive to look behind some of the Conservative rhetoric on investment and remember the reality of Tory Government investment in education and skills. In 1996-97, earmarked Conservative Government expenditure on FE capital expenditure on building was nil. A National Audit Office report stated that college buildings were not fit places in which to learn. The Conservatives let those buildings go to rack to ruin and the Conservative Government cut FE funding by 7 per cent. in real terms in the four years up to 1997.

Mr. Boswell *rose—*

Mary Creagh: I give way to the man who may have been responsible.

Mr. Boswell: Not many hon. Members will know that the hon. Lady and I share a birthday, although not the same year.

Let me take her back a little in history. When the FE sector was taken away from local authorities, for the first two or three years, the emphasis on capital investment had to be directed towards urgent health and safety. There was not much available for all the other capital investment, which we could have undertaken in due course. That is at least part of the background to the somewhat specious figures that she has produced.

Mary Creagh: As the hon. Gentleman says, we share a birthday. However, our political opinions diverge. Why was the capital budget spent on health and safety? Was it to avoid objects falling off classrooms on to young people's heads? Were the buildings in such disrepair? If so, why did not the Conservative Government prioritise such spending more?

Let us compare the Conservative record on capital investment with that of the Government, who have so far invested £2 billion on renewing and modernising FE facilities, with another £2.3 billion promised for the next three years. It is interesting to note that the Conservative party makes political capital out of FE while we spend capital to get colleges built.

The number of people who complete an apprenticeship in Wakefield has nearly trebled in the past few years. For many young people, it is a route to a high-quality, skilled job. My friend told me about her son queuing up with many young people to get access to apprenticeships in our district. The Bill will place apprenticeships on a statutory footing. It guarantees that all suitably qualified young people will be entitled to a place by 2013. It will also ensure that young people in schools receive proper information, advice and guidance about vocational training opportunities.

I was saddened this weekend to see in my surgery a lady who told me about her daughter, who got reasonably good results at a local school, but decided not to go on to college at 16 and is now not in education, employment or training. My constituent's family had not had much education, and she said that her daughter had now decided that she wanted to go to college, but that all the courses that she wished to take did not start till next September. Her daughter has six months to wait—a wasted year of losing out on opportunities.

Alison Seabeck: I listened to my hon. Friend's story about the woman whose daughter is NEET. Does my hon. Friend accept that we need some clarification about how to help young people, whose formal learning passage has not taken the form that it should have—there have been gaps in it for a range of reasons—to move into apprenticeships? Perhaps we can consider that in Committee.

Mary Creagh: I look forward to debating that in Committee and I thank my hon. Friend for making the point. As a trustee of Rathbone for seven years, I saw its creative and innovative methods. I was delighted to hear my hon. Friend the Member for Gateshead, East and Washington, West (Mrs. Hodgson) mention its great work in Gateshead. Students who go on Rathbone's training programme cannot be placed directly with an employer. They have to do the programme-led apprenticeships to give them the communications skills, teach them punctuality and the ability simply to get there in the morning—the life skills that they need to become proper members of any work force.

[Mary Creagh]

However, what a change from the youth training schemes of the 1980s. We have almost forgotten those, and I would like to remind hon. Members of what they involved. Young people were herded into unsuitable roles and paid the grand sum of £30 for a 40-hour working week. For those whose maths is a little rusty, that is 75p an hour. Many were sacked at the end of their apprenticeship when the company had to pay them the going rate for the job—£7.80 an hour instead of 75p as fully qualified electricians, carpenters, fitters, welders and so on. They were set free into a newly flexible work market to find their own way, which was a difficult path for many young men in their late teens or early twenties to take. It was the path of constant casualisation, which exists to this day for many of them.

Mrs. Hodgson: Some unscrupulous employers gave young people one YTS after another—I know that from my brothers' experience—always with the promise that they would be kept on at some future date, which never came. I hope that the Bill will ensure that that will never happen again.

Mary Creagh: I thank my hon. Friend for that point. The Government of the time must have known about employers' use of YTS trainees as cheap labour in the 1980s. It was a scandal. Not only Labour politicians say that. In 1998—10 years later—the academic Professor Sarah Vickerstaff wrote in the *Journal of Vocational Education & Training*:

"The legacy of youth training has for many had the combined effect of undermining the image of 'training' for young people and of 'schemes' for employers."

We may cavil about some of the difficulties and complexities of the current architecture of FE training, but YTS was almost a dirty word in the city in which I grew up.

That is such a contrast to the apprentices whom I met recently in Wakefield. I visited TEi, a heavy engineering firm in my constituency, and met Katy Roe, who was a trainee apprentice welder. That brings us back to advice and guidance on trying to get young women into non-traditional employment. Many young women think that the only apprenticeships they can do are in child caring, other caring, teaching and so on. Hairdressing is a classic example of a job for which there are many apprenticeships. That tends to be low-paid work. Katy has now finished her apprenticeship and can look forward to a future of working to build the next generation of power stations in this country and, as a 22-year-old woman, earning herself a salary of £40,000 a year, which is way above the national average. I am delighted to congratulate her on winning Yorkshire apprentice of the year. Indeed, she is going forward to the Learning and Skills Council's national competition, and I wish her well in that, too.

Next year, 35,000 extra apprenticeships will be created, working in both the public and the private sector. I welcome the Secretary of State's emphasis on training in awarding private finance initiative schools contracts. That is a great step forward.

Another thing that I would mention from the '80s is the end of the council house building programme. Again, we have a lost generation from that period, when construction apprentices could not get good-quality public sector apprenticeships building social housing. Next year, 750,000 people will start apprenticeships, compared with just 75,000 in 1997.

I want now to deal with the skills needs of older people. Train to Gain, our flagship programme of training in the workplace, has so far helped more than 1 million people get on at work. Some 43 per cent. of those who took up training last year were promoted and a third got a pay rise. I visited Morrison's supermarket and met the Union of Shop, Distributive and Allied Workers learning reps over the meat and fish counter. That experience brought home to me the power of peer education in the work force, where the people who work with each other and trust each other—they might have a chat or perhaps go out for a drink together—might say, "I've noticed that you're not that confident at reading," or, "How's your maths?" or, "You've got a real talent for this. Why don't you go further?" or, "Why don't you be the health and safety rep, the fire rep or the first-aider?" Peer education is a non-threatening reintroduction for people who perhaps left school at 16 or had a poor school experience, or who might be lacking in confidence or have been out of the work force for a while. The Bill will give 22 million workers the right to ask for time to train, in the same way as workers are able to ask for flexible working.

We need to use that programme to set people's creativity free. Firms need to use it to say, "We're not just going to train someone to scan products on a till faster; we're going to see what great ideas are there in our work force." I ask the Minister to encourage firms to allow people to have time off for training that does not directly affect their jobs. The women whom I spoke to wanted to be able to go home and help their children do research on the internet, but they were not allowed access to internet-based skills training, because it was not directly relevant to their job as cashiers in a supermarket.

Wakefield college also has a centre of vocational excellence in enterprise management and will be making good use of the £350 million that the Government have announced for training in small and medium-sized enterprises and for improving productivity quickly. A global recession is the time to increase, not reduce, investment in skills and training. I am afraid that that is a lesson that the Conservative party has not learned from the recessions of the '80s and '90s. Companies that do not invest in training are 2.5 times more likely to fail than those that do.

The Government do not believe that top-quality education should be the privilege of the few, or the young. In contrast to the Tories, we are putting forward the funding that ensures that access to further education is available to everyone—real help now for students, businesses and workers. The Conservatives would cut £610 million from our universities, skills and science budget. I will give way now if any member of their Front-Bench team wishes to put the record straight, perhaps in the same way as we saw the record on funding for Sure Start centres being put straight—or perhaps slightly less wobbly—earlier. I will happily give way, but nobody is standing up to intervene, so I assume that they are happy with our calculations.

The Conservatives do not understand Keynes's paradox of thrift. Keynes said that although thrift is to be encouraged in private individuals, it is a public vice. Being thrifty is not an appropriate step for Governments

to take in a recession. I am afraid that the Conservative party is isolated in the world in saying that it would cut public spending now. Those cuts would mean that not a single person over the age of 19 would start an apprenticeship next year, compared with the 122,000 who will be supported by Labour.

Even after that drastic step, the Tories would still slash £427 million from the universities, skills and science budget to balance the books. That is the equivalent of 100,000 students at university or a third of a million people on college courses. In an interesting exchange with the right hon. Member for Wokingham (Mr. Redwood), the hon. Member for Surrey Heath said, "Well, we'd spend it, but we'd spend it better." The Conservatives cannot talk about cuts of half a billion pounds having no impact on front-line services. They really lack credibility.

To conclude, there are many more things to welcome in the Bill. I particularly welcome the adult advice and careers service. I have faced a particular difficulty in trying to get people who are out of work to access proper careers guidance and the career development loans that we have made available. There is a dearth of information about that. Creating that new agency will make a real difference in helping people pursue their goals of lifelong learning. Creating a single negotiating body for the school support staff, in order to ensure that pay and conditions keep up with those of equivalent workers and to ensure better career progression and training, will be really good. Indeed, we have increased the number of those new workers by 200,000 over the past 10 years.

Finally, I am particularly pleased that the Bill will encourage pupil attendance partnerships. I do not understand why certain schools take a hard line on truancy and bad behaviour and others allow it to continue. Truancy and disruption impact on the silent majority of good, willing pupils who are there to learn.

As someone who has a young offenders institution in their constituency, I welcome the steps to ensure that education in prison is as good as it can be. I am not sure that I share the concerns of the hon. Member for Daventry about judicial review concerning access to education. The civil and social rights that we enjoy are conditional upon our behaving according to the rules of society. Any judge sitting on a case brought against a young person would say that if someone has committed a violent offence, they lose the right to access, for example, their work-based training.

I would like also to mention West Yorkshire fire and rescue service's public service programme—this relates to the point raised by my hon. Friend the Member for Plymouth, Devonport (Alison Seabeck)—which involves taking disaffected 14 and 15-year-olds out of school and working with them. They are put in red uniforms and given all sorts of training in fire safety and health safety. The scheme is fantastic. Young people who are school refusers or just not interested start to carry themselves well and to enjoy being part of a public sector programme. I encourage Ministers to come to Wakefield and see how what the fire service is doing can be applied creatively to other public sector apprenticeship schemes.

As a trustee of Rathbone for seven years, I am also passionate about the role that the voluntary sector can play. For young people who may have failed or had nothing else in their lives, an apprenticeship might be the one good thing in their lives. It is important that the Bill should put apprenticeships on an equal footing with other forms of training and education, and that it should give every young person the chance to succeed in life.

7.48 pm

Mr. Phil Willis (Harrogate and Knaresborough) (LD): I congratulate the hon. Member for Wakefield (Mary Creagh) on her application for a ministerial post. I trust that one will be forthcoming.

One of the interesting points about this debate is that while Front Benchers from all three parties spent a great deal of time talking about the provisions in the Bill dealing with schools, which—*[Interruption.]* Shh! *[Interruption.]* Sorry, I thought that I was the head teacher. *[Laughter.]* I was just about to send my hon. Friend the Member for Taunton (Mr. Browne) out, but I realise that only you can do that, Madam Deputy Speaker. I will speak to him later. While Front Benchers inevitably concentrated a great deal on the schools provisions, Back Benchers, virtually to a man and a woman, have spent most of their time talking about the skills elements. The Government are to be congratulated on having apprenticeships and skills not only in the Bill's title, but in its content. I say that because I have a number of comments to make—some rather unfortunate—about the Bill as a whole.

I would also like to put on record my appreciation of Lord Dearing—Ron Dearing. He has been paid many tributes today, and rightly so. I remember, as many Members will, what a breakthrough the Education Reform Act 1988 was, in that it set up the national curriculum and all that followed from that. It was also enormously complicated, however, and it required Ron Dearing to come along and make sense of the complication, which was so intense that most schools and most teachers could not understand it. Many teachers will appreciate the work that he did.

I came into contact with Ron Dearing in the House in 1998, when his famous report was virtually ditched at the first go by the then Secretary of State, the right hon. Member for Sheffield, Brightside (Mr. Blunkett), who in fact bastardised the issue of tuition fees without looking at the rest of the Bill. Ron Dearing had laid out, in his report, the foundations of what he saw as a 21st-century higher education system that would be fit for purpose, but much of what was in the report was put on a shelf. The only thing that we—myself included—concentrated on was the introduction of fees, which was rather sad. Ron Dearing will be enormously missed. He was a genuine Cross Bencher who did not pay lip service to any master.

This is a massive Bill, and the hon. Member for Daventry (Mr. Boswell) was right to say that it was a portmanteau Bill. It is a substantial Bill that deals with skills and schools, but the reason why it is so substantial is that we now have two Departments dealing with these matters. The Bill patches up some of the problems caused by the machinery of government changes in 2007. We had to have a plethora of new organisations because the machinery of government changes did not take into account that splitting education and training at 19 would drive a coach and horses through the whole agenda. We have had all those different organisations as a result. The Bill has 256 clauses and 16 schedules, and I hope that, when the business managers compile the

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programme motion, they will allow sufficient time to debate all the issues. There is a will on both sides of the House for the Bill to succeed and for it to be improved in Committee, and I genuinely hope that that occurs.

The Innovation, Universities, Science and Skills Committee, which I chair, together with the Children, Schools and Families Committee, had an opportunity to scrutinise the draft Apprenticeships Bill, which we appreciated, even though we were told about it, rather than being asked about it. Pre-legislative scrutiny is an essential element of good legislation, and if the Government want to take it seriously, Select Committees must be given the appropriate time to do it. We also need to be given all the available information.

In respect of the apprenticeships element of the Bill, a lot of the organisation that we have talked about today will be somewhat irrelevant. It is the quality of what happens during an apprenticeship that lies at the heart of the matter. The Select Committee asked for the specification of apprenticeship standards, and that is now to be produced as part of the legislation. However, the standards appeared in draft form only at noon today—the day we returned after a recess, and the day on which the Bill is to be given its Second Reading. That is unacceptable from a Government who want the whole House to take this issue seriously. Despite those problems, however, we welcome the Government's commitment to apprenticeships. I now want to concentrate on two elements of the apprenticeships agenda: programme-led apprenticeships, and quality.

During our Committee's deliberations on the draft Bill, we were not overly concerned about programme-led apprenticeships, once the Minister had made it clear that there was a fundamental distinction between employer-led apprenticeships and programme-led apprenticeships that were carried out in colleges as pre-apprenticeship education and training before people moved into a full apprenticeship. However, the reality is that, if the word "apprenticeship" appears in the title, most people do not differentiate between the two. The Committee expressed a real fear—and that fear is growing—that there is a demand to grow the number of apprenticeships while, in the face of a fierce recession, employers are not taking on apprentices. The public sector must rightly take up a significant amount of the slack, but we must not simply use programme-led apprenticeships as a tool for meeting certain targets.

There are some dangers in the provisions of the Bill. An apprenticeship certificate shows that someone has completed their apprenticeship, but clause 2 contains a real cop-out, in that apprenticeship certificates may be awarded for a whole set of reasons that the Government may, at some time, determine. I hope that those right hon. and hon. Members who serve on the Public Bill Committee will ensure that clause 2 is hammered down, so that an apprenticeship certificate can have the appropriate currency and attain the gold standard, because that is the only way that apprenticeships will survive and become a flagship of the training agenda in the 21st century.

Alison Seabeck: The hon. Gentleman says that he wants apprenticeship certificates to represent the gold standard. Does he accept that we need also to address the present gender pay disparity in apprenticeships—women are generally paid less than men—as part of the process?

Mr. Willis: That goes without saying. Sadly, the hon. Lady has put her finger on a problem that the Government have not fully addressed over the past 11 and a bit years—the disparity between men's and women's pay. Those Members who are particularly interested in further and higher education will know of graphic examples of that differential, especially in higher education. The point that she has raised is absolutely right, but that is a debate for another day.

John Bercow: If the Bill were not to do what it certainly should do—and what has just been advocated by the hon. Member for Plymouth, Devonport (Alison Seabeck)—would not the Government fall foul of their own forthcoming Equality Bill? I am sure that they would not want to do that.

Mr. Willis: The hon. Gentleman makes a good point, in his usual erudite way. These are the kind of issues on which the Public Bill Committee can get assurances from the Minister when it examines the Bill in detail. This is why the Committee needs sufficient time to do that, and I am sure that the Minister will be only too delighted to give such assurances.

I want to turn to the quality of apprenticeships. When the Select Committee was examining the draft Bill, we noticed that no reference had been made to the quality of apprenticeships. We concluded that

"the consequences of the substantial expansion of the numbers need to be carefully monitored".

Clauses 80 and 92 of the finalised Bill require the chief executive of the Skills Funding Agency to have regard to the "quality of the training" in respect of the duties to secure apprenticeship places. That needs a lot of flushing out, at the end of the day. In addition, the annual report from the chief executive of the National Apprenticeship Service to Ministers will have to include a report on the overall quality of apprenticeship training. That sounds great, but the Government believe that the

"main measure of success for apprenticeships is the proportion of apprentices who successfully complete their apprenticeship frameworks."

The two things are quite different. Completing a process that fulfils the requirements of a framework does not necessarily mean that the required quality has been achieved. I hope that the question of quality will be addressed.

Who is to inspect all this? We are coming back to the issue of Ofqual, in some ways. Who is to establish the quality of apprenticeship schemes? That is a crucial question. It is fundamental to the whole issue, as I think hon. Members accept. I believe that Ofsted is not the right organisation to do that. We now know that Ofsted's role, which has changed dramatically since the 1980s and early 1990s, has become more light touch. In many ways, it has been counting and it has been ticking the boxes in our schools and colleges, but that, frankly, is not what is wanted. How can Ofsted, without any track record of working with employers, actually go effectively into exchanges with them when we need investment in apprenticeships and quality assurance delivery? I hope that the Minister will look further into that.

Mr. Graham Stuart: I am grateful to the hon. Gentleman, who pretty well makes my point for me about the irony of the Bill. The Bill recognises the need to separate

curriculum development from quality, yet none the less puts a statutory and mandatory obligation on the new agency to deliver all these apprenticeships while at the same time checking for quality. Those two elements are clearly contradictory to what I believe can be seen elsewhere in the Bill about Ofqual.

Mr. Willis: The hon. Gentleman is quite right. It flies in the face of what the Bill is trying to achieve within schools.

The hon. Member for Daventry made a fine point about complexity—an issue that my Committee looked into in our inquiry, "Re-skilling for recovery: After Leitch, implementing skills and training policies". In fact, Madam Deputy Speaker—*[Interruption.]* I am sorry, I mean Mr. Deputy Speaker. That was a very neat change. We had Swedish models earlier and we now seem to have female-male Deputy Speakers.

When we examined the whole training scenario, we looked at all the organisations currently involved in training schemes—for 14-year-olds right through to adult training. We asked the Department to provide an organogram with everything on it. The Department said, "No, we can't; we don't have one." So we asked the National Audit Office and it produced four incredibly complex diagrams for us. In fact, witnesses to our Committee talked about the whole system as

"a pig's ear or a dog's breakfast",

"a very complex duplicating mess",

"almost incomprehensible" and so forth. The landscape of this Bill, however, creates yet more complication and yet more structures.

The one structure that the Bill does not set up is that for individual skills accounts, which I thought were a brilliant way of involving adults in training—putting resources into individuals to support them. The previous incarnation of individual learning accounts were unsuccessful for a number of reasons, but the principle was right. The principle to invest in individuals must also be right.

Chris Humphries, the new UK commissioner for employment and skills, told our Committee that something like 67 organisations with skills in their remit wrote to say that it was essential that the commission work with them—and he had not heard of any of them. Chris Humphries is, of course, a real star in this area, having worked so hard to promote the skills agenda. He told us:

"Even many of my commissioners have been meeting with ministers, saying, 'you have just made far more complex a system that you have asked the Commission to try and simplify, and that is going to pose real challenges'".

He went on to say:

"I do not think there is an employer in the land who understands"

the current system, so how on earth are they going to understand a new system with even more complication? I hope that, as the Bill progresses, we will see a real attempt to make it more light touch and also ensure that we have a more simplified organisational structure.

I raised an issue when the children's trusts boards were under discussion, and I want to return to it. There is a danger of casualties resulting from the new legislation—in particular the 16 to 19s and the 19 to 24-year-olds who have deep and complex special needs. They have always suffered among post-16-year-olds; it has always been difficult to meet their needs. My greatest anxiety—I hope that members of the Public Bill Committee will address it—is how we protect their interests now and hopefully enhance them in the future.

I make no apology for drawing the House's attention to an organisation in my constituency, Henshaws, a society for blind people. I want to put on record my appreciation for what the Government and, more particularly, the right hon. Member for Sheffield, Brightside, have done. The right hon. Gentleman has spent a great deal of time supporting the organisation, which works with people from age 16 onwards—mainly with 18 to 24-year-olds—who are not only blind or partially sighted, but have other complex needs. Many of them are also deaf, for example, and some have physical impairments or other special learning difficulties. They are a really complex group of young people and the Government quite rightly recognised that this organisation, as a charity, needed funding for its residential support. The Government contributed and private donations raised millions in addition to provide for what has become one of the best-performing colleges anywhere in the country. That is quite unique.

The new arrangements are coming into force in 2010 and funding will change from the Learning and Skills Council to the new Young People's Learning Agency. Sadly, Henshaws will be a casualty. In the interim period, the local education authority takes on responsibility, but it is responsible for fulfilling its own provision first. What we really must not do in the changeover is look for what amounts to the cheapest or most convenient provision. Rather, we need to focus on the highest quality that can be offered. Those young people who have intense needs really require our support. They should receive the support of the House and the Government. My plea to the Minister—

John Bercow: Will the hon. Gentleman allow me?

Mr. Willis: If the hon. Gentleman will allow me, I will just finish my plea. Ministers are acutely aware of the need for high-quality special needs provisions. I am talking to the Under-Secretary of State for Innovation, Universities and Skills, the hon. Member for Birmingham, Erdington (Mr. Simon), about Henshaws college and the real problems it is having in accessing a level playing field to provide fairly for its people in the future.

John Bercow: The hon. Gentleman's important point underlines the danger of an excessive and insistent localism that specifies that in every case it is just up to the local authority to do its best. Sometimes there are people who have complex and overlapping needs, but there is not a sufficient critical mass of them to trigger provision. It is for that reason that we need the protective coating of some elements of central regulation or, indeed, funding to ensure that those people are not overlooked, but get the help that they need.

Mr. Willis: I am grateful to the hon. Gentleman for that intervention. Indeed, that was precisely the point that I was trying, rather ham-fistedly, to make earlier. Between us, we have probably got there, and I hope that the Minister will respond.

I have two final points. First, I do not think that anyone in the House would disagree with the view that scrapping the current careers organisation and starting

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afresh is desperately needed. We have some really good people working in Connexions; we have some good people working on careers in local authorities; and many in the private sector have good skills for dealing with careers. Putting them all together into a new service will not be easy, but it needs to be done and done effectively.

During my exchange with the Secretary of State, I was quite surprised by his response to my question about careers advice relating to apprenticeships. Unless we can get high-quality vocational guidance into schools so that young people of all abilities can get access to opportunities for apprenticeships, quite frankly, apprenticeships will be seen as something to do if people are not very bright or no good at traditional learning. That is entirely the wrong approach to take; everybody must be offered this.

The explanatory notes to clause 35 make it clear that

"any consideration of what careers advice would be in the best interests of their pupils covers consideration of whether it would be in their best interests to include apprenticeships as part of their careers education."

What that says, and what the Bill says, is that, again, the teachers or somebody in the service will decide who gets advice on apprenticeships. That is fundamentally wrong. Every single student must be exposed to the same careers guidance. Of course it can be tailored to individual needs, but organisations simply saying—I think some schools will say this—that apprenticeships are not for them, that they do not want their students doing them and that they want students to stay on in the sixth form must be knocked on the head.

My final point, Madam Deputy Speaker, is about progression into higher education. I am sorry, Mr. Deputy Speaker. I apologise; I get excited. My Committee was absolutely clear about the fact that, to have the status to attract the brightest youngsters, advanced apprenticeships at level 3 must be seen as a progression route into higher education. We recommended that UCAS points be allocated for advanced apprenticeships and I see no reason why that should not be the case. The Minister disagreed with the Committee, but I hope that that aspect can be revisited during consideration of the Bill so that, before it leaves the House, we have a clear statement of intent that UCAS must be involved to accredit apprenticeships for points for higher education.

8.12 pm

Mr. David Chaytor (Bury, North) (Lab): This is a diverse Bill and the debate has therefore been interesting because hon. Members have brought their own perspectives to it and made many interesting contributions. The Bill is self-evidently full of sensible and pragmatic proposals, and it is hard to see how anyone could object to it, although Members in all parts of the House accept that there will be some interesting amendments to debate in Committee.

I simply want to support the proposals, particularly on restructuring the Learning and Skills Council. In retrospect, it was perhaps not the right thing to do to form the LSC in the first place, although we must remember the legacy of a series of major bureaucracies with responsibility for skills training that were developed in the 1980s, all of which ultimately failed to deliver. The LSC was perhaps the last attempt to establish a mega-bureaucracy and the lesson is that it, too, did not work as intended.

I welcome the creation of Ofqual, the separation of the Qualifications and Curriculum Authority, and the statutory basis given to apprenticeships and to the Sure Start programme, which is one of the Government's great success stories. In particular, I welcome the recognition of the unique status of sixth-form colleges. It is important to remember that about 380,000 of the young people in education are in school sixth forms, but 146,000 are in sixth-form colleges—not quite 50 per cent., but a substantial number. It is my view—I do not apologise for repeating it yet again—that if we had more sixth-form colleges in more towns up and down the country, the overall quality of education would improve and there would be far more opportunities for our young people.

Post-16, we have the three-part system of sixth-form colleges, school sixth forms and tertiary or general further education colleges, so the issue of funding must be addressed by the Bill. All Members of the House will know that for many years there has been a significant discrepancy between the college and schools sectors. The schools sector has traditionally had a 13 or 14 per cent. advantage in funding per student over the college sector. To the Government's credit, that has been progressively reduced in recent years, but the gap is still unacceptable. The logic of the Bill and of moving responsibility for funding to local authorities, with the support of the Young People's Learning Agency, is that, eventually, we will get convergence of funding for all post-16 students, wherever they study.

I want to mention also the question of the advice service. I welcome the point made by my hon. Friend the Member for Wakefield (Mary Creagh) about the importance of strengthening adult guidance. In this time of enormous economic dislocation, the number of adults seeking advice about their future and about opportunities to train or retrain, or to become involved in further education, will increase. This country has never had an adequate adult guidance service, and this is an opportunity to establish one.

I want to reiterate in particular the point about clause 35, that a number of hon. Members have made. The clause deals with the responsibility of schools in respect of information about apprenticeships. Although we are not yet considering the Bill in Committee, I want to draw the attention of the House to exactly what clause 35 refers to. The Government's defence is that it puts a responsibility on schools to provide information about apprenticeships. Well, it does not do that. It requires schools to consider whether it would be in the pupil's best interests to receive advice about apprenticeships. That is a fundamental distinction, because there will be a lesser responsibility on the schools.

That aspect draws attention to what remains a weakness in our structure, whereby it is clearly in the interest of schools to maximise the number of young people staying on beyond the age of 16. There is a tension here that is still unresolved. Unless we get a stronger legal obligation for the provision of advice and information about apprenticeships—preferably, responsibility for that should not lie within the individual school—young people will still not get fully objective advice on all the options available for their future.

Mr. Willetts: Does not the hon. Gentleman think that he is making an excellent case for a proper independent careers service that can go into schools and provide such information?

Mr. Chaytor: Yes, I am, but to a large extent that is what we already have. On my visit to my local Connexions service just two weeks ago, I was hugely impressed by the work it is doing, although there are still questions to be asked and I am sure that there is still variability of performance in different parts of the country. I do not accept the argument that the return of Connexions to the local authorities will automatically mean reverting to the situation that applied 20 years ago, whereby the careers service was less than adequate, but questions remain as to exactly what are the roles and responsibilities of the Connexions service and of the individual schools. I am sure that that debate can be worked through in Committee. The key principle has to be that every young person must be entitled to objective, independent advice when they make choices about their future.

I welcome the new provision to request time off for training for adults in the workplace, which I hope will be one step forward to what in future years turns out to be a guaranteed right to time off for training. I draw the attention of my ministerial colleagues to increasing concern, which was flagged up in the business pages of some newspapers yesterday, about the rebirth of some rather dubious private training companies. Yesterday's press carried examples of companies offering to vulnerable people qualifications that turned out to be worthless, and of companies masquerading and offering courses that did not take place or were not what they seemed to be.

Can the Government offer some response to that, given that we have seen huge growth in private training companies and that that growth is likely to continue? How do the Government intend to regulate to guarantee quality? How will they ensure that the growing number of young people and adults who take advantage of private training opportunities are not—

John Bercow: I am grateful to the hon. Gentleman for giving way, because he is dealing with an important issue. Is he aware that in respect of autism, about the causes of which relatively little is known, there has been a great opportunity for possibly unscrupulous companies to come onstream, putting forward a variety of quack therapies for which there is no evidence base but which can offer—wholly inappropriately—a lifeline of hope to very anxious parents who will dole out large sums of money that many can ill afford to spend in pursuit of courses that, in the end, prove to be hopeless?

Mr. Chaytor: The hon. Gentleman has made a very important point. I was not aware of that, but it underlines the need for appropriate regulation of the private training sector. We all remember the fiasco of individual learning accounts some years ago, when it was easy for companies to come in and abuse the system. I am a little concerned about the possibility that the impact of the economic slowdown and the increase in the number of new training opportunities for those who have lost their jobs will once again give rise to a less than satisfactory private training sector.

I want to make a couple of points about issues that are not in the Bill, but perhaps ought to be. The first is the issue of school admissions. The last two education Bills have contained useful and important provisions that have moved the policy forward and helped to strengthen the Government's approach to fair admissions, but perhaps more needs to be done. My clear recollection is that following the recent consultation on the new admissions code, the Government responded that they accepted that the definition of fair banding needed to be revisited so that it was based not on the total number of children who applied to a school, but on the total number and distribution of children within a given area. That is an important distinction. Improving the definition of fair banding would, without question, move us even further along the route of a fair admissions policy. The Government also said that they would seek to make the change at the next legislative opportunity. As far as I can see, this is the next legislative opportunity, and I therefore give notice that I may wish to table an amendment to that effect in Committee.

The Bill does not deal with primary schools as such. One of the big stories in the last few days has been the impact of the Cambridge primary review, and we all await with interest the outcome of the Rose review of primary education. It seems to me that at some point the Government will have to legislate for changes in our primary curriculum, and perhaps our system of assessment. In his opening speech the Secretary of State did not state, but indicated, that this would not be the final education Bill in the current Parliament. It would be very helpful if the Secretary of State for Innovation, Universities and Skills would give an absolute assurance in his winding-up speech that there will be another Bill, preferably featuring a big bang and not just a whimper.

I found the criticisms of the Bill made by the hon. Member for Surrey Heath (Michael Gove)—the shadow Secretary of State for Children, Schools and Families—rather curious. He did not say directly that he was against the Bill: there was nothing specific in it that he opposed. He spent half his time talking about standards. Of course standards are extremely important, but I suspect that the level of concern about them and the vociferousness with which Members express that concern are related to a wider concern with destabilising the Government, and that in reality the issue of standards is more complex.

The shadow Secretary of State quoted a number of academics, but did not quote any of our examining boards, although they are clearly best equipped to make judgments about standards over time. As I have said, however, the issue is complex. We are not comparing like with like. The shadow Secretary of State did not take on board the impact of new content and new structures on examinations—the impact of modular structures, for instance—and the fact that some examinations are now designed to cover a far wider age range. An example of that is the transition from the old O-level to the GCSE. All those factors are relevant to any debate about standards.

I agree that the issue of standards is crucial, and I think it important for either Ofqual or a contractor to it to have a statutory responsibility to monitor that over time. However, we must draw a distinction between genuine concern and a rigorous analysis over time, and the use of the issue as a bit of cheap populism with which to bash the Government of the day. If Opposition parties use that opportunity time and time again, August after August, all that they will do is undermine the

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achievements of hundreds of thousands of young people who have worked their socks off throughout their school careers and are achieving better results than any previous generation.

The shadow Secretary of State argued that, in almost all aspects covered by the Bill and in education policy more generally, we should deregulate, leaving things more and more to the market. He gave the example of Sweden, but I am not convinced that buying a 99p ticket to fly with Ryanair to an airport 40 miles out of Stockholm and looking at a couple of schools is necessarily the best way in which to form an education policy in this country. I also found it curious that the hon. Gentleman cited Finland as one of the highest-achieving countries, but did not pursue the logic of his argument by putting the case for the structures and approach to the curriculum that it has adopted.

Given the events of the last 12 months or more, including the total collapse of the international banking system and the financial services sector as a result of a completely deregulated approach, it strikes me that this is not the best time to argue for more deregulation. There is not a direct analogy between what happens in financial services and what happens in education, skills training, health or any other area of public policy, but the principle remains: we must get away from our obsession with total deregulation, or even light-touch regulation, and concentrate on appropriate regulation.

In my view, the way forward for our education policy is appropriate regulation and the right balance between coherence, strategic planning and managerial autonomy for individual institutions. I believe that the Bill, with its diverse package of measures, moves us one important step further down that road.

8.27 pm

Mr. Graham Stuart (Beverley and Holderness) (Con): It is a great pleasure to take part in this debate. Nearly all the speeches so far have been thoughtful and constructive. However, I feel that most Members have been rather too kind to the Bill. It is a portmanteau Bill bringing together a number of issues, which causes problems in terms of parliamentary scrutiny. To me, it represents an extended exercise in wish fulfilment dressed up as legislation. It is the product of people who, perhaps, like to confuse and mislead others, but in this instance they may have confused only themselves. The Bill's title gives a clue to the confusion of its contents.

Throughout the years of the present Government, the Secretary of State has been the Prime Minister's chief confidant and lieutenant, part of a machine that sought policy headlines but did not consider sufficiently how to make the outcomes a reality. Cynicism by design, the distortion of statistics, the politicisation of the civil service and the neutering of dissent and debate have performed a short-term service, but have undermined the Government's ability to deliver any real reform. That is why in this twelfth year of this Government, the Secretary of State will not meet the promise to halve child poverty by 2010, and why, with one in five children leaving primary school without basic literacy and numeracy skills, one in 10 ends up on the NEETs scrapheap just a few years later.

Michael Jabez Foster (Hastings and Rye) (Lab) *rose—*

Mr. Stuart: It is why the school curriculum has been dumbed down, why our society has grown more unequal, and why we are having to deal with what I consider to be an apology of a Bill today.

Michael Jabez Foster *rose—*

Mr. Stuart: For this legislation is a mishmash of poorly considered, unco-ordinated initiatives—more dog's dinner than food for thought. Redeeming features are few.

Michael Jabez Foster: Will the hon. Gentleman give way?

Mr. Stuart: I will give way in a few minutes.

The Bill makes promises that cannot be kept, claims to simplify where it complicates, and will be subject, as usual, to fairly limited parliamentary scrutiny.

If the hon. Member for Hastings and Rye (Michael Jabez Foster) had been present throughout the debate instead of having just arrived, he would know that the Secretary of State has already today told the House that he plans amendments for the Committee stage of this Bill; the Second Reading had barely begun, and the Bill was starting to crumble.

I do not have time to itemise all the Bill's shortcomings, but if selected to serve, I would hope to contribute to any possible improvements in Committee.

Michael Jabez Foster: Will the hon. Gentleman give way?

Mr. Stuart: The hon. Gentleman has only recently entered the Chamber, so I do not think it would be appropriate to let him intervene.

The Bill provides a statutory guarantee of an apprenticeship place for young people, but it is a guarantee that carries no definition of what an apprenticeship is, has no mechanism for its delivery, and provides no measures to ensure quality. Instead of legislating, the Secretary of State should be taking the practical measures that will make more apprenticeships available. It is welcome that contractors for Building Schools for the Future will be required to take on apprenticeships in this coming year; it is only a shame that the Secretary of State decided to announce that in the *Sunday Mirror*, rather than on the Floor of the House today.

It is practical measures that will provide the places, which are most desperately needed. As my hon. Friend the Member for Surrey Heath (Michael Gove) set out, the number of people who have had access to apprenticeships has been grossly short of the promises made by the Government, and specifically by the Prime Minister. In fact, there has been a fall in numbers in the past few years.

The Government have not simply made false promises; they have also used sleight of hand. Government websites announce that apprenticeships have undergone a renaissance in the last decade, yet they have not. All apprenticeships used to be level 3 or A-level equivalent, but the Government have added other, lower-level youth training to boost the apparent numbers. In fact, there are now fewer level 3 apprenticeships—now called advanced apprenticeships—than 10 years ago.

A key question is whether the Bill will streamline apprenticeship provision. Far from it. Clause 4 gives responsibility to the chief executive of the new Skills Funding Agency—the SFA—to be the certifying authority for apprenticeships. He in turn will delegate that to the new National Apprenticeship Service—the NAS. Clause 11 says that sector skills councils—SSCs—in partnership with standard setting bodies, or SSBs, will be responsible for apprenticeship frameworks. Local education authorities will be responsible for all 16-to-18 education and training, including apprenticeships, yet the SFA is apparently also responsible for all apprenticeships. No one knows how the relationship between the SFA, its agency the NAS, the Young People's Learning Agency—the YPLA—and LEAs will work, and who will have ultimate responsibility. LEAs report to the Department for Children, Schools and Families; the YPLA reports to the DCSF; the SFA reports to the Department for Innovation, Universities and Skills; the NAS reports to both the DCSF and the DIUS. So responsibility for apprenticeships falls between the DCSF and the DIUS. That has the potential to result in a loss of expertise, accountability and oversight, as well as causing waste, bureaucracy and indecision. It is absurd to have two Government Departments overseeing apprenticeships, and equally absurd to have four agencies vying for influence instead of just one.

How important are apprenticeships? They are more important now than they have ever been, so the Government do at least deserve to be congratulated, as other Members have said, on introducing a Bill in which apprenticeships come at the front and are recognised. There are many areas where we will need a skilled work force in the future, not least in health and social care. In the East Riding there is expected to be a 65 per cent. increase in the number of people with dementia between now and the early 2020s. I did a shift at a residential care home in my constituency a couple of Fridays ago, and saw how hard the staff there work under the great pressure—physical, as well as mental—of providing care for people, many of whom had dementia and others who had suffered a stroke or had physical disabilities. To see those people hard at work and to realise how great the demographic time bomb is in that area is to know the importance of having apprenticeships that will lead people into that sector, as well of having funding mechanisms that will provide them with fairer pay levels.

The Parliamentary Under-Secretary of State for Innovation, Universities and Skills (Mr. Siôn Simon): If apprenticeships are as important to the hon. Gentleman as he has tried to convince us they are, why were there 65,000 apprenticeships after his Government had been in power for 18 years, compared with 250,000 now and hundreds of thousands more to come?

Mr. Stuart: The Minister knows full well that when the Conservatives were in power, apprenticeships were real apprenticeships: they had not been redefined. There had been no sleight of hand in an attempt to redefine them. The hon. Member for Wakefield (Mary Creagh) raged against the 1980s YTS schemes, but bringing in programmes of study that are not proper apprenticeships, and styling them as apprenticeships, does not provide the answers that people need. The numbers of those actually in learning in that way have not increased since the Government came to power. That is the problem. The statistics are available and we should not be arguing about facts that are a matter of public record and indisputable. The Minister is bigger than that.

Today we should be talking about how best to move forward and make a reality of the vision that lies—as I accept—behind this Bill. The reason for my anger—if that is not the right word, then I shall say my frustration—with the Bill is that, not for the first time under this Government, a picture has been painted that we all want to see delivered, but the mechanics of the legislation cannot be relied on to deliver it. We have to hope that secondary legislation or some activity by others that is not included in the Bill will deliver the change that the country so badly needs.

Mr. Edward Timpson (Crewe and Nantwich) (Con): My hon. Friend mentioned the shortages in the apprenticeship market in particular sectors. Does he agree that one of those is the engineering sector? The growth in the rail industry means that there is a desperate need for well-qualified, highly trained apprentices from a national railway skills academy—a need that I have articulated on behalf of the people of Crewe. Unless we address the needs in the sectors of industry where there is a shortfall—at present, there are only 11,000 apprenticeships in engineering—we will never overcome the problems that have existed for far too long.

Mr. Stuart: My hon. Friend is absolutely right. He will be aware of the proposals by our party for a transformation in rail policy to deliver high-speed rail from the south to the north, to reduce air travel and CO_2 emissions. To deliver that vision—on which the Government, as in so many other areas, are belatedly copying us—we will need many apprenticeships in railway engineering, whoever is in government. My hon. Friend will also be aware that the numbers applying for construction apprenticeships dwarf the number of places that have historically been available, and the number has fallen again this year.

We have had some discussion of standards today, and the hon. Member for Bury, North (Mr. Chaytor) rehearsed one side of the argument with passion. There is august jousting between the parties on this issue, but we need to move on. We can all agree that Ofqual is a good thing, if it acts independently. It needs to provide us with accurate information so that this false battle about the figures can stop.

Exams now have a different purpose, so we need to recognise that many more people take A-levels than used to do so, and the number going into higher education has increased. An instrument that was designed to measure a small proportion of the population is now being used to measure a much greater proportion and it may need to be retuned in some way. We need a common understanding, not faux battles that help no one, least of all the students who work so hard and deserve praise for what they achieve, rather than having questions asked about the importance of what they have done.

The head of Ofqual is appointed by the Crown, and all the other non-executive members of the board are appointed by the Secretary of State. Personally, I have doubts about whether that is the right form of governance to foster confidence when so many people have lost faith in the system. It will be worth considering whether we can give Ofqual greater constitutional independence

[Mr. Graham Stuart]

from the Executive. I know that the Chairman of the Children, Schools and Families Committee, who is no longer in his place, would certainly welcome the opportunity to play a part in that, and that might be one way to restore confidence, whoever is in government.

The Bill transfers all control of 16-to-18 education currently held by learning and skills councils to local education authorities—a form of localism. There has not been much talk of localism today. Instead of simply abolishing the Learning and Skills Council, which is, as has been said, the largest quango set up by a Government who are so fond of them, or providing a light-touch funding council that would allow most decision making to be local, two quangos are to be set up.

Perhaps the Minister can explain in his summing up why we are to have two quangos for the price of one. Can he throw some light on the experience that FE colleges will have? Three excellent FE colleges serve my constituency: Hull college, which is in a neighbouring constituency; East Riding college in Beverley; and Bishop Burton college near Beverley. Trying to work out how many organisations the principals of those colleges will have to deal with under the new settlement is frightening. The Government have rightly said we need a simplified system that is lighter of touch and less bureaucratic. We all share that vision, but we cannot see it realised in the detail of the Bill; instead, we face the possibility that a local college in my area will have to liaise with the local education authority in whose area it sits, neighbouring local education authorities and a sub-regional body of local education authorities that will take on certain provisions not left for individual local authorities to deal with—although they will deal with some things themselves—as well as the YPLA, the SFA and of course the NAS, which members of the Children, Schools and Families Committee may think sounds remarkably like the NAA, a body that had pretensions above its station as a division of the QCA, and helped to lead to the exam delivery fiasco last year. The NAS as a subdivision, with its own chief executive and its own amour propre, could lead to similar problems in that regard.

The proposal is not a simplification. I do not know whether a fundamental change can be made in Committee, but I put it to the Minister that to make local FE colleges and their principals deal with such a huge number of organisations cannot be right. It does not fit with the vision that Ministers have rightly set out.

As the appropriate Minister is on the Treasury Bench, it would ill behove me not to mention the importance for East Riding college of moving from its poor, portakabin-laden, cramped, dangerously accessed current premises on the leafy side of Beverley. The college desperately needs to move to the centre of town, close to the railway station and the new park-and-ride scheme, and close to the Swinemoor estate so that it can be a symbol of learning and hope to people on every side of Beverley. I do not want to abuse your patience too much, Mr. Deputy Speaker, but at a cost of just £23 million, after the sale of the current site, the proposed move will have an enormous impact for the money. The Minister will find that, compared with what can be offered by many other colleges, the move will offer regeneration, tackle disadvantage and give hope to isolated rural communities. I recommend it strongly to him when the time comes.

We have had some discussion of children's trusts. My hon. Friend the Member for Buckingham (John Bercow) made a powerful speech, in typical fashion, about his belief that making trusts statutory was the right way to go. With respect to him, I struggled to follow the thread of his argument all the way through. He rightly highlighted the fact that the Audit Commission has pointed out that to date children's trusts have not been delivering as might have been hoped. Perhaps putting hope ahead of experience, my hon. Friend believes that if trusts are driven—I think that was the word he used—by making them statutory and universal and by working up common practice and sharing it, they can somehow be made to work. I fear that they will be great talking shops. If the Minister does not go all the way and force them to have budgets that are used to drive local commissioning—if they continue as they are, and people continue to turn up to meetings because they feel that they ought to, but the organisation does not give them the authority to make decisions or allocate budgets for the delivery of goals on which there has been joint decision—we will continue to have the dysfunction that marks children's trusts today.

John Bercow: Operating in separate silos produces misunderstandings, causes division and is invariably bewildering and infuriating to parents whose children's services are delayed or denied as a result. May I at least put it to my hon. Friend that although there is no guarantee of success, if there is a formal structure, a performance framework through local area agreements, and a responsibility to submit to comprehensive area assessments from 2009, we will have a slightly better chance of getting somewhere than if there was an entirely loose and permissive structure with no formal responsibility?

Mr. Stuart: I hear what my hon. Friend says, but I remain unconvinced. Children's trusts need a budget if they are to be accountable as organisations. Parents might think it was the children's trust that was taking decisions locally, but when they came to question things, they might hear that it was part of the health service, the education service or the probation service that had chosen, for its own reasons, not to deliver something that the parent wanted. I remain unconvinced, but if the proposals go ahead, I hope that something positive will come out of them.

The hon. Member for Harrogate and Knaresborough (Mr. Willis), who is no longer here, made excellent points about the importance of careers advice. He began to persuade me that we should provide advice on apprenticeships to every child in every institution, because apprenticeships are not just for those who are not academically able. They are a route that can lead to higher education, but they can capture a person's imagination, whether that person is passing exams or not. They are a genuine option, and perhaps the hon. Gentleman is right to say that the advice should be provided for in statute, rather than the Bill requiring merely that the interests of the child be considered. Any school that is struggling to maintain its sixth form will find it easy to consider it in the best interests of the child that they carry on into the sixth form, and do not take up an apprenticeship, although that might be a better solution for them. That is another point that I hope the Minister will consider.

I should like briefly—I am aware that time is passing by—to consider the Government response to a report by the Children, Schools and Family Committee, on which I sit. The report was part of our pre-legislative scrutiny. The Government response says that we questioned

"whether it is a good use of Parliamentary time to consider 'symbolic' legislation."

If I recall correctly, our thinking was, "Don't make a huge, symbolic promise of a choice of two apprenticeship places for everybody if you haven't got the mechanics to deliver." The proper thing to do would be to change the system and encourage employers so effectively that we were able to offer that choice to everybody, and then to legislate to keep it that way. Otherwise there is a danger that when the Bill is enacted, we will have created a promise that cannot be delivered. That would not be to the credit of the Government or of any of us in this place.

In our recommendations, we addressed the issue of the automatic right to progress from one qualification to a higher qualification. The Government's response was:

"We want to ensure that for these young people the route to a higher qualification is clearly set out and that the support they need is in place."

That is right, but it would be interesting to have more detail on how that will be delivered. Perhaps that issue could be touched on. We also recommended that the Government should not block a young person's

"entitlement to an apprenticeship at the same level as that of a qualification which they already hold".

I congratulate the Government on listening to that representation and on changing the Bill in consequence.

In recommendation 10, the Select Committee said:

"We have grave doubts about whether a statutory duty on the Learning and Skills Council (and in due course the National Apprenticeship Service) to secure sufficient apprenticeship placements can be met, or met without compromising on quality."

The Select Committee—a cross-party, Labour-dominated Committee—was absolutely right to say that. That remains a key reason for my doubts about the efficacy of the Bill. The Government response says:

"We will publish a statement setting out how the scheme will operate in practice at the Committee stage of the Bill."

That will obviously be tremendously important, and I hope that the statement will provide succour to those of us who have doubts about the deliverability of the promise as it stands.

The Select Committee stated:

"We strongly support the concept of group apprenticeship schemes".

The Opposition have strongly promoted that idea. Getting SMEs to provide apprenticeships is a great challenge because of the bureaucracy involved. The Government's response was lukewarm, rather than effusive. They said:

"We recognise the key role",

but they did not say how they would take that forward. When the Minister winds up the debate, it will be an opportunity to be more effusive about group training associations and what they can deliver. If the Government are to deliver the promise that they are making, they will have to use group training associations effectively.

We heard from the shadow Secretary of State today, in answer to the Secretary of State, an absolutely unequivocal guarantee of support for Sure Start children's centres by the Opposition, and an absolute guarantee that there will be no cuts in the spending on those centres. We can therefore look forward to the scrapping of so much scaremongering leafleting by Labour. Before today, that may have arisen from a misunderstanding, but after today it would be dishonest.

We differ from the Government in that we recognise that although Sure Start has been a good thing, cutting back on health visitors would be a bad thing. I know that the hon. Member for Mid-Dorset and North Poole (Annette Brooke) who is on the Liberal Democrat Front Bench, speaks regularly about the importance of health visitors. We propose to increase the number of health visitors by 4,200—a 56 per cent. increase on expected numbers in 2010—and to increase health visitor training concomitantly. That gives a flavour of how we will be different. We will certainly not make cuts.

John Bercow: Does my hon. Friend agree that if support for Sure Start children's centres was important and beneficial during relatively favourable economic weather, a premium is now placed on the subject whichever party wins the election, because we are going to go through turbulent economic times, and the need for that early intervention in support of some of the most vulnerable people will be greater in the future even than it is at present?

Mr. Stuart: I entirely agree. There are rare occasions of consensus across the House, and I am sure we can all agree on that.

I believe that the Bill, which covers so many topics, does not deliver on vital issues such as how it will make apprenticeships available to everybody, and does not define detailed issues such as what a reasonable travel-to-work area is. Many questions remain and, were I to be selected to sit on the Committee, I would look to work with colleagues from across the House to try to improve what is at present a bit of a mishmash.

8.53 pm

Shona McIsaac (Cleethorpes) (Lab): It is always interesting to follow the hon. Member for Beverley and Holderness (Mr. Stuart), but I will curtail my comments, as I hope to be in the Chamber tomorrow night supporting him when he speaks about the Humber bridge, which is in my constituency.

A few weeks ago the nation's entire media seemed to descend upon my constituency to follow the protests and the wildcat walkouts at Lindsey oil refinery. The situation was caused mainly by a sense of injustice and anger on the part of unemployed construction engineering workers who saw people being brought in from Italy. They felt that they had the skills and the training to do the jobs on that construction project at the refinery, and what was happening seemed unfair to them.

Because of that situation, I want to talk about some aspects of the Bill that relate to apprenticeships and training as they impact on my constituency. I have described the situation of increasing unemployment, of workers being brought in from elsewhere and of a potentially toxic skills gap. If we get the Bill right, it will provide us with an opportunity to stop such protests and strikes escalating in the future.

[Shona McIsaac]

One thing struck me about the public response in my area to the walk-outs. People would come up to me and say, "Look, Shona, why don't the Government bring back apprenticeships?" I am probably not the only Labour Member to have heard such comments, because many people have not realised that the number of apprenticeships has increased in recent years. The people making those comments probably remember past mass apprenticeship programmes in the nationalised industries; I am thinking, for example, of the Central Electricity Generating Board, which trained thousands of apprentices. However, in the '80s and '90s, there was a decline in construction and UK manufacturing. Added to the mix were the privatisations and the fragmentation of the markets involved. That led to a decline in the number of companies investing in apprenticeships.

Yes, there has been a change in recent years, and I welcome it. I have heard snide comments tonight about the value of apprenticeships, but in my area people are doing high-quality apprenticeship training—four-year courses in engineering, for example. In North East Lincolnshire and North Lincolnshire, the two local authorities covered by my constituency, there are probably nearly 500 young people doing engineering and construction apprenticeships. They are just the people we need, and they will work on huge engineering projects such as the hydrodesulphurisation project at Lindsey oil refinery.

As was highlighted by the protests, however, there is a problem. The current itinerant work force, who tour the country working on construction projects and what are called the "shutdowns" in the refinery sector, are ageing. A lot of them did their apprenticeships in the nationalised industries; after that, apprenticeships withered because of economic downturns. Young people are coming through, but we have a gap in the middle. A representative from one of the oil refineries in my area told me that there will be an estimated shortage of 17,000 jobs in the engineering and construction sectors alone. Furthermore, earlier we heard my hon. Friend the Member for Stockton, South (Ms Taylor) talk about the gap in the chemical industries sector.

We have to address such problems. Nobody today has really talked about the situation: previous generations who have gone through the system are coming to retirement, youngsters are coming through, but there is a gap in the middle. How will we address it? As we saw at Lindsey oil refinery, one way to address it is to bring in people from Italy; in the past, someone from another part of the UK would have been brought in. A few years back, there was similar upset when people from Teesside were brought in to work in the area. People in Grimsby, Cleethorpes and Immingham asked why the jobs did not go to local people. We have to look at how we fill the gap. There could be merit in having apprenticeships for older people, and not only for those of a younger age, to try to reskill people to meet the skills gap in engineering and construction in my constituency.

When I talk to employers in my area about skills training and the young people coming through, they say that apart from wanting people to be literate and numerate and to have the high-tech skills that virtually everybody from the age of five seems to have these days when it comes to computers, they want an emphasis on what could be termed "softer" skills, by which they mean how people behave in the workplace—for example, their punctuality, attitude and teamwork, which many employers feel is lacking because of the education and training systems. All the stuff in the Bill that we have considered is about hard skills such as those in engineering—there is not much about how to integrate into a workplace, which employers say will be essential.

A couple of weeks ago, I went to visit a new academy in my constituency, Oasis academy in Immingham, and what I saw there was quite inspirational. Immingham is only a couple of miles away from Killingholme, where Lindsey oil refinery is located. The academy was a marvellous blend of the academic and the vocational. It had car workshops and small engineering workshops. The head teacher placed equal emphasis on the academic and the vocational. I hope that the careers advice in that school will be very strong because of the ethos of its principal in valuing the vocational within an educational setting. We have to do that all the way through the system. We cannot just suddenly say to someone aged 16, "Here is some careers advice, and by the way apprenticeships are a really good thing to do."

I have found that there is a resistance to apprenticeships, particularly in sectors such as engineering. People see those as dirty jobs; they do not value them and there is a resistance to going into them, despite the phenomenal work that has been done in my area by the Humberside Engineering Training Association, among others. I would like Ministers to take on board the fact that we must start valuing the vocational at a much earlier stage in the education system and seriously look at how we deal with the skills gap while we wait for these young apprentices to come through and take on the big construction and engineering projects in future.

9.3 pm

Mr. Dai Davies (Blaenau Gwent) (Ind): We are coming to the end of the debate and a number of Members still want to speak, so I will be as quick as I possibly can.

In 1976, I was privileged to be part of an apprenticeship scheme in the steel industry as an electrical engineering apprentice and I saw thousands of people come through the industry at that time. As the hon. Member for Cleethorpes (Shona McIsaac) said, that was done through the nationalised industries, which had recognised training areas. It was a simple process; we have heard today that the proposed process might not be quite so simple. It was a City and Guilds four-year apprenticeship that was indentured—time-served, as it was called then—with three and a half years' training and six months' on-the-job experience so that when someone finished their time, they could go out and look for a job having done the job itself. That feature has been lost now. People look at training as an end in itself, but have they had the experience of delivering the service? We need to look at that carefully.

We have heard big numbers for the amount of apprenticeships, but this is not just about numbers but about quality. There is a huge difference between training courses and apprenticeships to gain skills. An apprenticeship—an indentured or a time-served apprenticeship—is much more than just a training course, but there are rolesto be played within training courses that lead to apprenticeships. The best engineers we ever had coming through the industry, in my opinion, were

those who did an apprenticeship, went to university and came back—they came back on the tools with a degree, rather than the other way around. That is very important in the mechanical and electrical fields, in carpentry and even in administration. Work-based experience is vital.

There is also a huge role to be played by trade union reps. I am registered with the TUC, and trade union reps have a huge role to play in encouraging people—especially adults—who have been out of education for a long time to regain the desire to be educated. Trade union reps have a huge role, as do community learning reps in the voluntary sector. There are huge opportunities and we have not even scratched the surface of them. There is lots of work to be had, too.

We have heard a little about the shared apprenticeships tonight, and I urge the Government to talk to people such as those in the steel industry, which still has a very good apprenticeship scheme. They should use that experience and pass it on to small and medium-sized enterprises. They could use the industry as a training base. There is also an opportunity for local authorities that own industrial areas to join up the factories on the industrial estates and set up a training centre. It works. We have one in my constituency.

I also want to touch briefly on sponsored apprenticeships. As the apprenticeship schemes wound down in the '80s and into the '90s, industry looked at how it could use sponsorship to take on extra apprentices. For instance, in my borough council, if 4,000 people paid £1 a week, that raised £4,000 and gave lots of opportunities for employment. The health service employs millions of people. Could we afford £1? I think so. I know that Mr. Speaker has assisted with apprenticeships in this place. If we gave £10 a week, which is not a lot to ask, another group of apprentices could be employed. I think that we should really consider sponsored apprenticeships.

We have heard about adults coming back into training. When the steel industry shut down in my constituency, people of 35 or 40 years of age had to look for a new trade and a new skill. They could not afford to. How does someone put their life on hold to train? One huge shortage in our area is of social workers. We need social workers. We have shipped them in from Canada, Romania and all across the world. Why not provide our own? There needs to be a sponsorship scheme to do that. How can someone pay the mortgage when they are training for three years? We need to look at that carefully.

We can identify the youngsters we can help. We have heard about directing them into higher education and apprenticeships, but those opportunities must be available for all. Those who can go to university to obtain certain skills will have them, but we need to encourage other young people.

We have talked about schools and education, but we should not forget the governing bodies. As a governor at primary and secondary level, I know that the training of governors and their involvement in encouraging children are very important. We have not even talked about governors tonight.

Finally, I want to discuss two other issues. The first is targeted apprenticeships. We have heard that the construction industry can provide a huge opportunity and we should look at where we can maximise it. There is masses of work out there, and it needs to be done.

I also urge the two Secretaries of State to talk to the devolved Administrations, particularly that in Wales. There are measures in the Bill that we would certainly want, such as education beyond 16 going into training and apprenticeships. I ask the Secretaries of State to talk to the Welsh Assembly Government. Rather than going through a legislative competence order, which takes time and is administratively slow, we should do what we can in the Bill for the devolved Administrations, too.

9.8 pm

Dr. Roberta Blackman-Woods (City of Durham) (Lab): I welcome the Bill and believe that it will further solidify the Government's work on skills, apprenticeships and learning, as well as taking some of the agenda forward.

I want to mention some of the key measures in the Bill that deserve special attention and to seek reassurances from the Government on one or two points. Let me start with the Sure Start children's centres, which have been a huge success in my constituency and around the country. I am pleased that the Bill will establish them as statutory bodies and will place a requirement on local authorities to ensure that there are a sufficient number to cope with the need in their area. I now have six Sure Start centres in my constituency, five of which serve the ex-mining villages. One thing that I have learned from my many visits to the centres is that Sure Start is a policy for the long term. It is absolutely essential that these centres continue to be funded well into the future. I say that because if we are to go about improving social mobility, we have to raise aspirations among families when children are very young indeed. We not only need to raise aspirations, but to give families support from a range of agencies, whose involvement is necessary when children are young in order to encourage them through school and into higher level education.

It was interesting to note that when the hon. Member for Surrey Heath (Michael Gove) was talking about the future funding of Sure Start centres, he failed to mention one important aspect of the funding: we cannot only fund the centres themselves, important though that is. We have to support agencies and statutory bodies that work through children's centres, which means securing funding in the future for education, and for regeneration in the community, because children have to live in decent housing if they are to learn at school. We also need to fund the health service and primary care trusts at current levels, because children and their families have to be able to access a wide range of health services in the community. I am not sure that I was reassured on behalf of my constituents by the comments made by the Opposition. I cannot stress enough how critical it is that we stick with a policy of investing in Sure Start for the long term.

I would like to say something briefly about support for local authorities when they take on the responsibility for 16-to-19 learning from the Learning and Skills Council. I welcome that policy direction, but there is clearly a need to build capacity in local government to take on such a role, which is where the rationale for the establishment of the Young People's Learning Agency comes in. However, I hope that the Government continue to review how essential it is to have such an agency in the long term, as local authorities once again build up competence in this area.

[Dr. Roberta Blackman-Woods]

I noted the separation between the ensuring of quality and curriculum development, which is another good aspect of the Bill. Those of us who have served on Select Committees in the past have argued for that, and it is essential, not least because, like everyone else in the Chamber, I am fed up with what happens each August when all our young people, and the wonderful efforts that they have made in passing exams, are denigrated, usually by Opposition Members.

I wanted to take the hon. Member for Beverley and Holderness (Mr. Stuart) to task on his use of the information from the Centre for Evaluation and Monitoring —CEM—at Durham university. I have been to talk to those at CEM on at least two occasions, I raised the points made by the centre with the chief statistician at the Department for Children, Schools and Families, and it would appear that what CEM measures and what the Government measure, with regard to qualifications, the number of people getting them and levels of qualification, are two different things. CEM measures attainment, and we have to make an important distinction. We are not necessarily saying that someone getting an A at A-level today is any cleverer than someone getting an A in an A-level 20 years ago, but we are saying that more young people now have the ability to get an A at A-level because we have improved education so much. It is important to make that distinction.

I am particularly pleased with the attention given in the Bill to the education of young people in juvenile custody. There are three prisons and a young offender institution in my constituency, so I follow education in prisons closely. I hope that giving local authorities responsibility for education in prison will work out well in practice and follow what happened when primary care trusts took over responsibility for health in prisons.

I welcome the new reserved powers that are being given to local authorities to intervene in seriously underperforming schools. That matter has not been mentioned much in the debate, but it is absolutely critical for our young people. We are sometimes a bit mealy-mouthed about it and tolerate schools not performing as well as they should for young people in their areas. We hang back until too many young people have had their education either ruined or not delivered as it should be, which affects their future life opportunities. It is important that we intervene as early as possible to turn schools around.

I welcome also the move to put children's trusts on a statutory footing. Where they work well, they play an important role in producing multi-agency plans and bringing together agencies that are essential to improving children's well-being and safeguarding them. It is important that those trusts and the plans that they produce on behalf of children's services are strengthened.

The Bill will give all suitably qualified young people the right to an apprenticeship by 2013 and create the National Apprenticeship Service. I am keen for all young people to get adequate information, advice and guidance about apprenticeships in school, and perhaps that could be reconsidered in Committee. That is particularly important in my region, the north-east, because we have 6.5 per cent. of all apprenticeships, a much larger proportion than our share of 16 to 18-year-olds. Of course, that number is vastly improved since 1997, when very few young people in my constituency had the opportunity to undertake an apprenticeship. We now have some wonderful examples such as the Esh Group working with New college, Durham, to provide new apprenticeship opportunities for young people. Just a few weeks ago, I presented an award at New college to the person who had been declared the best plumber in the country at the UK SkillPLUMB awards.

We need to consider whether apprenticeships are being made as attractive to young women as they are to young men. A huge range of apprenticeships are available, but I am not sure whether the message is getting through to young women in schools and colleges.

We must pay some attention to the quality of apprenticeships and ensure that employers come forward to provide opportunities for our young people, particularly in this time of economic downturn. I agree with what the hon. Member for Harrogate and Knaresborough (Mr. Willis) said about the need to tidy up some of the information that is available, so that we can check on the quality of apprenticeships and ensure that they are a good-quality project in which our young people are keen to engage. If apprenticeships are to be successful, it is critical that they also meet the needs of employers.

I know that the Minister for Schools and Learners, who was in his place earlier, is aware of the concerns that have been raised with hon. Members by Unison, GMB and Unite about the establishment and operation of the new school support staff negotiating body. I know that he has set out a response to them, which I hope will address their concerns. I would be grateful for additional reassurances that the unions will have a strong role to play in negotiations on behalf of their members.

I do not have time to press some of the points that I wanted to make, but I urge Government Front Benchers to take on board representations that they have received from the Federation of Awarding Bodies, which is worried about whether Ofqual genuinely has the power that it needs to secure standards; and from the National Deaf Children's Society, which made important points about SEN and the need for schools with proper acoustics. That is especially important in the context of Building Schools for the Future and the number of schools that are being rebuilt. The Children's Society also made representations, and the North East chamber of commerce urges sub-regional arrangements for the Young People's Learning Agency to ensure that good strategic direction is maintained and, indeed, put in place where necessary.

9.21 pm

Kelvin Hopkins (Luton, North) (Lab): I am short of time, so I shall concentrate on my main theme, which is sixth-form colleges. I greatly welcome the Bill's provisions for them. I have been a governor of Luton sixth-form college for 19 years—continuously since the incorporation. I also taught A-level in a further education college, so I know something about the subject.

I spoke early in my parliamentary career about sixth-form colleges, urging the Government to try to develop more of them. I still believe that that is vital for our future. They are the most successful educational institutions in Britain—no other compares with them for success. They do a superb job, but there are too few.

In 1993, incorporation took sixth forms away from local authorities. Of course, local authorities were never going to establish further sixth-form colleges after that, because it meant giving away the sixth forms in the schools in their areas. Channelling funding through local authorities means that they will be much more likely to create sixth-form colleges.

It is a great shame that we have had 16 years without the creation of more sixth-form colleges. It has been argued that as many as 50 additional sixth-form colleges might have been created had they not been taken away from local authorities. There are 94, yet there could be 150 or more. We should have that larger number.

There is no logic to the geographical location of sixth-form colleges, which have grown up in concentrations in Lancashire, the north-west generally, London and Hampshire. There are no sixth-form colleges in great swathes of the country, where young people do not benefit from their undoubted advantages. They are especially suited to larger towns, where they can sustain sixth forms of 1,000 students or more. Sixth-form colleges with high schools that cater for 11 to 16-year-olds are the ideal way in which to tackle education, especially if there is a local FE college.

The provision in Luton sixth-form college is first class—its quality is unchallenged. In Luton, we can provide 44 different A-level courses. Students have an almost unlimited choice, so subjects can be tailored to every student's needs, preferences and abilities. A-levels can be mixed with general vocational courses, and a third of all sixth-form colleges are rated outstanding. Luton sixth-form college gets repeated grade 1s in its inspections; it is an outstanding college, which has beacon status. Indeed, our local FE college also has beacon status. They are both superb.

Sixth-form colleges are unparalleled value for money. We have often complained that we are discriminated against, in that funding per pupil in sixth-form colleges is lower than that in schools. However, that is also evidence that they are better value for money. The gap therefore reflects two things: perhaps we are slightly unfairly treated, but sixth-form colleges are much better value for money.

Comparisons of areas where there are sixth-form colleges with those where there are none, in Lancashire and the north-west, show that the staying-on rate for post-16 education is higher in areas where there are sixth-form colleges than in those where there are only high schools with sixth forms. Another advantage of sixth-form colleges is that they bring people together from the whole town. In Luton, there is a genuine mix of gender, ethnicity and social class in one institution. They break down barriers that are so often evident elsewhere.

We also have specialist A-level teachers who devote themselves to their subjects. They do not have to teach subjects with which they are not familiar, nor do they have to teach youngsters in the lower levels of the school. The teachers focus precisely on teaching A-levels and become very skilled at doing so. There are also several teachers for each subject, which means that they reinforce each other.

There are so many advantages to sixth-form colleges that I could spend a long time waxing lyrical about them. As I said in my speech 10 years ago, they are the educational geese that lay golden eggs. We want many more of those geese. I urge my right hon. and hon. Friends on the Front Bench not just to make the changes proposed in the Bill, but to pressure local authorities to create more sixth-form colleges, because not only will the country benefit, but young people will definitely benefit.

9.25 pm

Michael Jabez Foster (Hastings and Rye) (Lab): I am grateful for the opportunity to make the briefest of comments, particularly as I have not been here for most of the debate. The reason for my absence is that I have been in another Parliament today—the European Parliament. As a result of the generosity of Eurostar, which has decided to run a service from Ashford to Brussels, it is possible to be in two Parliaments on the same day, although, sadly, I have missed the greater part of the debate.

I want briefly to say two things. First, the Bill shows the Government's absolute commitment to skills and further education. It is exciting that it contains so much good. Coming from Hastings, I am fortunate to be the beneficiary of the Government's enormous commitment, with the new £92 million south coast college, which is being built at the moment and which will be operational by the end of the year. That £92 million is £92 million more than the total budget for new build in 1996. I just mention that fact in passing, but that money is an amazing investment on the part of the Government and shows their commitment to skills and further education.

The other point that I want to make is not a negative one, because I understand from other Members that my colleagues on the Front Bench have already addressed the clauses in part 10, chapter 4 that relate to the setting up of the school support staff negotiating body. The reason for doing so is the high regard that the Government have for support staff, not least because of the increase in numbers, from 134,000 to 322,000, but because of the recognition that they are often not properly paid. Ensuring that they are properly paid and rewarded for what they do is central to the setting up of the school support staff negotiating body.

However, as my hon. Friend the Member for City of Durham (Dr. Blackman-Woods) said a moment ago, the unions are concerned, not about how the present Secretary of State might use his powers under clause 220 effectively to veto the possibility of a negotiated outcome of whatever is agreed, but about the potential for another Secretary of State to do so. We are not being pessimistic: we do not suspect that there will be any other Secretary of State in the near or foreseeable future. However, should that unlikely event occur, how can we ensure that those marvellous people—the support staff—are not short-changed if proper negotiations have taken place with their unions in that body, which we all believe is the right thing to do? I should be grateful if my right hon. Friend the Secretary of State could assure us in responding that, at the very least, that veto will be subject to certain regulations, so that a properly negotiated arrangement is not vetoed by those of ill will.

9.28 pm

Mr. David Willetts (Havant) (Con): We have had a very useful debate. One of the pleasures of this debate has been that the two Departments that focus on schools

[Mr. David Willetts]

and skills, which came out of the single Department for Education and Skills, have come together to debate and scrutinise the legislation. In fact, I do not think that we have yet had any legislation since the departmental split that has not been joint legislation shared by the two Departments.

We share not only an interest in the legislation, but a regard for Lord Dearing, who, sadly, died on Thursday. His work straddled the world of education and had a big impact on both higher education and skills and on schools. I echo what the Secretary of State said about Lord Dearing earlier in the debate.

Of course, we welcome some of the measures in the Bill, which is why we shall not divide the House this evening. We welcome the recognition of the need for a genuinely independent regulator in Ofqual. We welcome the new advice on and encouragement of apprenticeships, and the principle of entitlement to apprenticeships. We also welcome some of the rhetoric in the Bill. It speaks of a slimmed and streamlined system, although my hon. Friend the Member for Surrey Heath (Michael Gove) was right to be sceptical about whether the reality would live up to the weight-watcher pledge in the legislation. We also like the rhetoric of a demand-driven system, but the question is whether that can be delivered in practice. So, those are the reasons why we will not vote against the Bill this evening.

The trouble with the Bill, however, is that it is an incoherent clutter of a miscellany of measures. It does not provide a sustained argument, or a clear vision of how the standards of schools and skills in this country can be raised. In fact, it reveals the besetting problem of a decaying Government coming to the end of their term: when in doubt, reorganise. When they have lost their ideas and their intellectual momentum, they just reorganise. Even worse than that, they are now reorganising their own reorganisations, and changing the institutions that they themselves created earlier.

A good example of a Government running out of steam and having to reorganise their own reforms is that of this Government's skills agenda. They inherited the Further Education Funding Council, which they abolished in 2001 in order to create the Learning and Skills Council. In 2008, the 47 local learning and skills councils were abolished and replaced by nine regional bodies and 150 local partnerships. In 2010, the Learning and Skills Council that this Government created is to be abolished and replaced by the Skills Funding Agency, the Young People's Learning Agency and the National Apprenticeship Service. This is an example of endless reorganisation.

It was said of the French revolution that it finally came to an end when it started to devour its own children, and we now see this Government engaging in a process of devouring their own reforms. I do not know which Secretary of State is the more likely Robespierre, introducing the guillotine only to find himself being sent to the guillotine himself, but this is a Government who are running out of ideas and running out of steam. As a result of these changes, the same office block in Coventry that houses the Learning and Skills Council will presumably house three different quangos and, in the coming months, every official and officer sitting in that office block will be busy applying for new posts and wondering which of the multiple new organisations that are being created they will be working for.

The hon. Member for Huddersfield (Mr. Sheerman), who chairs the Children, Schools and Families Committee, is no longer in his place, but he made this point well. Such a reorganisation would be of doubtful value at the best of times, but we are now, in the words of the Secretary of State for Children, Schools and Families, in the most serious global recession for more than 100 years. Is this really the time for the key agency that is supposed to be focusing on skills and training during the recession to face yet another reorganisation? That is why, although we have no particular brief for the Learning and Skills Council, we have asked the Government at least to suspend the proposed changes for a year, so that the LSC can focus on the task in hand while the economy is in such a mess.

We have already seen the consequences of the disorientation and confusion that has been caused, with the crisis in capital funding that is affecting further education colleges. I was surprised by something the Secretary of State for Innovation, Universities and Skills said in an earlier intervention, when he appeared to deny the existence of a moratorium on FE capital projects. Perhaps I can remind him of what we understand to be the facts of the case. If any of this is incorrect, I would be happy to take an intervention from him. On 17 December 2008, at a national council committee meeting, the Learning and Skills Council suddenly, without prior warning or explanation, cancelled all the national council committee meetings planned until 4 March. Those meetings normally take place monthly. It cancelled the meetings because there was no basis on which it could agree the funding for the capital projects in the pipeline. That is why Members across the House are so aware of the plight of FE colleges, whose representatives are coming to us to express their extreme concern that the capital projects that they had been working towards will not now take place.

The hon. Member for Wakefield (Mary Creagh), who is no longer in her place, made an extraordinarily loyal speech in which she raised a question about her own FE college, which seems to be facing a capital funding crisis, despite the fact that the Secretary of State has already told the House that there is no such thing. If even the ultimate loyalist has had to accept that there is a crisis, I was surprised that the Secretary of State could not bring himself to do so.

All this is part of the wider problem with the Bill. The biggest single group of losers from it is, I am afraid, FE colleges. Those crucial colleges are, as we all say, the Cinderellas of the education system, but they do an enormous amount and have special qualities: they educate people across the entire age range; they educate people across a wider range of social classes than any other educational institution; and they link academic and vocational study. We believe that they should be set free as community colleges—free to serve their communities in the way they think best.

Instead, the great achievement of 1992, when those colleges were given freedom from local authority control, is to be reversed in respect of 16 to 18-year-olds and those colleges will face a multiplicity of quangos financing and supervising them on the education they provide to over-18s. That is not what FE colleges want and

I do not believe that local authorities understand the range of responsibilities of those colleges or how they work.

Dr. Blackman-Woods *rose—*

Mr. Willetts: Perhaps I can tell the Secretary of State about my experience at the North of England Education Conference this year, but before I do, I will take a brief intervention.

Dr. Blackman-Woods: I am grateful, but does the hon. Gentleman not accept that what FE colleges want are the freedoms given to them by this Government to develop an exciting curriculum and to engage with local partners, including local employers? They also want a level of capital funding comparable to what the Government have spent to transform education throughout the country.

Mr. Willetts: FE colleges certainly want the freedoms that we gave them in 1992 and they certainly want to engage with local employers, but the question is whether the extraordinary muddle of quangos that they will now have to face—17 regulatory bodies, as identified by Andrew Foster in his inquiry, set up by the Government themselves to look into the amount of hassle and bureaucracy encountered by FE colleges—is the best way of helping them.

I was about to tell the Secretary of State how badly my speech at the North of England Education Conference went this year—*[Interruption.]* I thought he would be interested to hear what an uncomfortable experience it was for me. I turned up to give a speech about the educational agenda as it looks from the Department for Innovation, Universities and Skills perspective. I spoke about careers advice, access to universities and the future of FE colleges, but it was clear to me that the concerns of the audience—people from local authorities and children's services, for example—were completely different. They were concerned about the baby P case; they were concerned about the future of social services for children; they were worried about the primary school curriculum and testing. The agenda I was talking about was clearly of very little interest to the representatives of children's services. *[Interruption.]* It is possible that that was entirely the result of my speech, but I believe we are also observing the fact that children's services simply do not get the 16 to 18 agenda, which is so important for so many people in this country. The Secretary of State is going to find out that those services will not be capable of supporting FE colleges in the way we want.

FE colleges need to know some basic facts, which I still believe the Secretary of State for Innovation, Universities and Skills has failed to explain. I hope that he will take the opportunity to answer these questions when he winds up the debate. We have had a draft Bill and two Select Committee reports on this legislation, yet the Select Committee has still been unable to establish answers to certain fundamental questions.

What, for example, is to be the funding arrangement for further education colleges under the new system? Will it be funding per student, funding by block grant from local authorities or funding from individual local authorities? How will the new sub-regional structures work? There are FE colleges that have a dozen or more local authorities sending students to them. They still do not know the basis of the funding structures that will face them in a year's time. I hope that the Secretary of State for Innovation, Universities and Skills will address that issue in his winding-up speech.

Let me discuss apprenticeships. The aspiration in the Bill is admirable, and we want more people to know about apprenticeships and to have the opportunity to do them, but I am not at all clear about how the Government will deliver their claim of an entitlement for every learner who wants an apprenticeship to have a choice of two within reasonable travelling distance. There is the assumption there that an apprenticeship is generic, but people do not want just any apprenticeship. They want to study a particular course and to take particular training; they want to become electricians or plumbers, rather than do "an apprenticeship".

Nevertheless, I hope that the Secretary of State will tell us a little about how he sees apprenticeships functioning in the new environment. He appeared, yet again, to be surprised when we quoted figures from the Government's own statistics on what has been happening to apprenticeships. We follow apprenticeships in the sense that most people in this country understand them—level 3 apprenticeships, which are the equivalent of A-levels. That is what "apprenticeship" used to mean before apprenticeships were redefined so as to cover a much wider range of training.

On the Government's own statistical release, the figures are clear and the number of level 3 apprenticeships has been falling year after year. In 2006-07, it was down to 97,000. We are suspicious when the Government announce targets, where they achieve them by redefinition or fiddling the statistics. I would like the Secretary of State to assure the House that he will continue to collect the statistics showing the number of people, on average, participating in level 3 apprenticeships. Those statistics have been on a continuous downward trend since 1999 and the figure is now below 100,000.

For most people, level 3 apprenticeships are what apprenticeships should be like, which is why we heard an intervention from the hon. Member for Cleethorpes (Shona McIsaac) about why people in Cleethorpes are asking where the apprenticeships are. Level 3 apprenticeships are disappearing and, instead, training courses are being redefined as apprenticeships. That is what is happening. Youth training schemes, which were dismissed by the hon. Member for Wakefield, would now be called apprenticeships and count towards the Government's target.

The House of Lords Select Committee on Economic Affairs said:

"Numbers officially 'in apprenticeship' have increased substantially since 1996."

That is what Ministers like to say, but the Select Committee continued:

"However, as Figure 1 below shows,"—

that is the table—

"most of this increase has been as a result of converting government-supported programmes of work-based learning into apprenticeship. Since 2000, numbers in apprenticeship have increased by almost 20 per cent. although growth now appears to have slowed or stalled and numbers in Advanced apprenticeship have fallen."

The graph is absolutely clear: the so-called growth in apprenticeships is in level 2 apprenticeships, which did not even count as apprenticeships until the Government

[Mr. Willetts]

came to office. That is the simple explanation of what is going on. If the Government are to try to achieve those objectives, we need their assurance that they will not achieve them by continuing to redefine the target. That is why the latest danger is that they redefine it through using public sector apprenticeships.

I was encouraged by the comment that I heard from the Secretary of State, but let me remind him of what the Select Committee on Innovation, Universities, Science and Skills said during its scrutiny of the Bill in draft. The Committee was concerned about what it called "conversions" and was trying to establish the fact that apprentices should be new recruits, not existing employees

"who 'convert' from their current jobs to apprenticeships with the same employer."

I very much hope that the Secretary of State will offer that assurance and clarify, as the Select Committee asked, whether conversions to apprenticeships within the public sector will be counted as achieving the Government's target.

We support the Bill's objectives, but very much doubt whether the Government can be trusted to deliver them. They are once more reorganising when they lack vision and once more redefining apprenticeships, rather than encouraging them to grow. They are presiding over an increase in the number of NEETs—those not in education, employment or training—when Members on both sides of the House wish to see it reduced. They are not committed to genuine adult learning, for which the number of places has fallen catastrophically. Those are the points on which we shall challenge Ministers as we scrutinise the Bill in Committee.

9.45 pm

The Secretary of State for Innovation, Universities and Skills (Mr. John Denham): It is a pleasure to reply to the debate. I apologise to my hon. Friends and to Opposition Members if I cannot respond to all their comments in detail.

A wide range of issues have been raised. My hon. Friend the Member for Blackpool, South (Mr. Marsden) emphasised the needs of older apprentices, as did my hon. Friend the Member for Cleethorpes (Shona McIsaac). Let me say to the hon. Member for Havant (Mr. Willetts) that it is important for us to create new opportunities for young people to undertake apprenticeships. I reject the idea that an apprenticeship is an inappropriate way for someone to learn halfway through a career, and I reject the hon. Gentleman's apparent view that anyone who learns in that way should not be counted as a proper apprentice. That is simply wrong—yet it is the position of those on the Conservative Front Bench.

My hon. Friend the Member for Gateshead, East and Washington, West (Mrs. Hodgson) spoke of people with special educational needs. She should be congratulated on her remarks, and on her private Member's Bill. The hon. Member for Buckingham (John Bercow) also referred to that important issue. There is clearly a strand of concern throughout the House about the need to ensure that apprenticeships can reach the widest possible range of young people. The hon. Member for Daventry (Mr. Boswell) raised similar issues, as did a number of others.

The hon. Member for Blaenau Gwent (Mr. Davies) and others—including the hon. Member for Harrogate and Knaresborough (Mr. Willis), who chairs the Innovation, Universities, Science and Skills Committee—spoke of the importance of quality in apprenticeships, which lies at the heart of the Bill. My hon. Friend the Member for Bury, North (Mr. Chaytor) and the hon. Member for Harrogate and Knaresborough spoke of the importance of careers advice. My hon. Friend the Member for Huddersfield (Mr. Sheerman), the Chairman of the Children, Schools and Families Committee, also spoke of the need for quality in apprenticeships.

It is clear that this has been a good Second Reading debate. I understand that there will no Division tonight. There is broad agreement on many parts of the Bill, which must now be subjected to detailed consideration in Committee. However, although it is always welcome when there is cross-party agreement on a number of clauses of a Bill, I should stress that the House must not be misled by the apparent agreement on many of the clauses into believing that the Opposition and this party stand for the same things, or believe the same things.

Today we have seen a concerted attempt—and, in particular, an attempt by the hon. Member for Surrey Heath (Michael Gove)—to suggest that there is only so much difference between the two parties on many aspects of the Bill. We began with a discussion about spending. Spending is very important to our ability to implement many of the measures in the Bill, and the hon. Member for Surrey Heath made it very clear—he could not have been misunderstood—that there was absolutely no question of his party's not matching, pound for pound, the full amount that the Government will spend on the budget of the Department for Children, Schools and Families.

The hon. Gentleman said, I think, that he had shot my right hon. Friend the Secretary of State's fox. He said that we were misinterpreting the circumstances, and that we had misunderstood the remarks of the right hon. Member for Witney (Mr. Cameron) when he spoke of Conservative budget proposals. That is unfortunate for the hon. Gentleman, because I happen to have a transcript of the question asked by Mr. Andrew Grice—I believe he is a newspaper reporter—on 5 January at a press conference held by the right hon. Member for Witney. Mr. Grice said:

"In the past you have promised to match Labour's spending on education, today you use the word 'schools', does that mean you would spend less than Labour on other areas of education such as universities and skills?"

The right hon. Member for Witney replied:

"It means that the school budget specifically is the one that is protected in terms of their plans."

There was no mention of Sure Start centres, or any other part of the DCFS budget. The hon. Member for Surrey Heath has completely contradicted the leader of his party. The fox which, a few hours ago, appeared to have been shot dead is now alive and running around, and is coming back to snap at the hon. Gentleman's heels.

Mr. Marsden: Is it not possible that my right hon. Friend is being a little unkind to the Opposition Front-Bench spokesmen? Is it not possible that rather than not having shot a fox, they are merely reinventing the

1p on income tax that the Liberal Democrats used so productively to spin out many of their promises before the last election?

Mr. Denham: Whatever is the case, the Opposition are in some confusion on this issue. The hon. Member for Surrey Heath said he had inadvertently deleted a letter from my right hon. Friend the Secretary of State for Children, Schools and Families asking about the schools budget, so let me remind the hon. Member for Havant that he has yet to reply to my letter asking where the £610 million that is going to be cut from the DIUS budget from 1 April under his party's plan will come from. The House should know, because this legislation is very important. We are making legislation today, rather than deciding on budgets, but the reality is that the ability to make anything of this legislation, and in particular to deliver the quality apprenticeships that so many Members have spoken about, depends on spending, and the Opposition are simply failing to come clean on these issues.

The hon. Member for Surrey Heath was also keen to express support for Ofqual. He said he wanted no part in any argument about dumbing down, but he then quoted every single authority he could find to claim that exam standards have fallen, and he did not quote a single one that believed the opposite—although my hon. Friend the Member for City of Durham (Dr. Blackman-Woods) gave us a healthy corrective concerning ways in which some evidence can be misinterpreted. I have to say that during the hon. Gentleman's speech I myself began to worry about the standard of maths education. I have not discussed this with my right hon. Friend the Secretary of State for Children, Schools and Families, but I did feel that we should, perhaps, introduce a compulsory new question to the A-level maths syllabus. We should ask students to identify how many ways a Tory spokesman can misuse statistics on apprenticeships in the course of a single debate.

Let us have a look at the record. We have heard a number of times the claim that there are fewer advanced apprenticeships than a decade ago. The hon. Member for Havant wrote to his colleagues on 19 February saying that the number of advanced apprenticeships had fallen to just 97,000. That is not a figure I recognise, but let us be clear about this. The Conservative party never used to bother to find out who completed an apprenticeship; it never took any notice of that. What is the truth? In the first year for which we have statistics for the completion of advanced apprenticeships, 18,400 were completed. In the last year for which we have statistics, 36,200 advanced apprenticeships were completed—twice as many people completing advanced apprenticeships under this Government than under the previous Government. The number of people starting advanced apprenticeships rose by 29 per cent. in the last full year. That is the truth about advanced apprenticeships, and it is a disgrace that the Opposition seek to misuse and selectively quote figures in order to try to make a case that simply does not stand up.

Mr. Willetts: The Secretary of State appears not to recognise a statistic from his own Department's statistical release. I have that release to hand and the statistics show that for the year 2006-07 there were, indeed, 97,000 people in advanced apprenticeships, as against the year 2000—the first year in the table in the release—when the figure was 126,000, and every year in between the number went down. These are his figures, and he should stop denying them.

Mr. Denham: What the hon. Gentleman needs to understand is that what matters—this is very important—is the number of people who successfully qualify in an apprenticeship. When the hon. Gentleman's party was in power about a quarter of people—if that—ever completed an apprenticeship. The completion rate is now up to two thirds. That is why we are successful. Not only are more people starting apprenticeships, but more people are completing them, and they are completing them at level 2 and level 3.

The hon. Member for Surrey Heath said that the Prime Minister had not met his target of 500,000 apprenticeships. Well, that is a bit challenging, because the target is for 2020. The hon. Gentleman knew that when he quoted the figure, but why let a decent fact spoil a good misuse of statistics?

The truth is that the Government have rescued apprenticeships and they are now well on their way to their rightful place in the mainstream of our education and training system—*[Interruption.]* The number of starts has gone up. The hon. Member for Havant cannot say that it has gone down. He does not understand the statistics and he should look at what matters. The number of people starting apprenticeships has gone up. The number of people completing apprenticeships has gone up. Those are the key facts that matter.

The measures that we have announced today—an additional 21,000 public sector apprenticeships and, in total, an additional 35,000 extra apprenticeships over this year—will take the total number of people starting apprenticeships this coming year to more than 250,000, and that takes us further forward. So does this Bill. It does what the House of Lords Committee—on which served three former Conservative Chancellors of the Exchequer, as well as my noble Friend Lord Layard—recommended, by establishing a National Apprenticeship Service. That proposal has been treated with derision by the Opposition, as an addition to the quangocracy, but the House of Lords was right. If we are to make a real success of driving apprenticeships forward to the next stage, we need a dedicated service, able to support the careers service in schools that so many people have talked about, able to support employers, and able to work on the support for the group training associations that I happily and effusively support, as I was asked to do by the hon. Member for Beverley and Holderness (Mr. Stuart).

The Conservatives reject the advice on apprenticeships given by the House of Lords Committee dominated by members of their own party. It does not do the Opposition much credit to have made the concerted effort that they have, today and on other days, to rubbish the achievements of this Government on apprenticeships. They would do much better to acknowledge what has been achieved. There are debates to be had about how we should proceed, but instead they appear to want only to denigrate everything that we propose.

An important part of the Bill for my Department—it has hardly been mentioned this evening—is the introduction of the right to request time to train. That is a new right at work that will cover 22 million people, not only those with lower levels of skills. It will directly address the

[Mr. Denham]

problem in those workplaces where skills needs and training are not regularly discussed. It does mean that people will have the opportunity to identify their training needs and employers will have to respond to a reasonable request to give that time off.

Mr. Willetts: Will the Secretary of State let us know whether that right is one of the measures that will be reviewed by the Secretary of State for Business, Enterprise and Regulatory Reform, as we read in *The Times* today that he is busy trying to get rid of these extra burdens on employers?

Mr. Denham: This is an important measure and it will take forward the skills agenda—*[Laughter.]* It will take it forward in a way that the Opposition have never done. When they were in power, there was no investment in apprenticeships, and none in the FE capital programme. I heard the concerns expressed by the hon. Member for Havant about the FE capital programme, but when he went to the Association of Colleges conference in November he could not even confirm his party's commitment to our capital programme for 2010-11, let alone the one for the future.

I know that my hon. Friends will say that I am being unfair—[Hon. Members: "No!"] They will say that this was all 10 years ago and that the Opposition have learned their lesson. They are cuddly now, and full of emotional intelligence. Well, the hon. Member for Surrey Heath was certainly full of emotion, with not much intelligence, and the hon. Member for Havant was full of intelligence, but not much emotion. The truth is that the Opposition have learned little from their past history and they would make the same mistakes again.

Question put and agreed to.

Bill accordingly read a Second time.

APPRENTICESHIPS, SKILLS, CHILDREN AND LEARNING BILL (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Apprenticeships, Skills, Children and Learning Bill:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 31 March 2009.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*(Mr. Watts.)*

Question agreed to.

APPRENTICESHIPS, SKILLS, CHILDREN AND LEARNING BILL (MONEY)

Queen's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Apprenticeships, Skills, Children and Learning Bill, it is expedient to authorise the payment out of money provided by Parliament of—

(1) any expenditure incurred by virtue of the Act by the Secretary of State,

(2) any expenditure incurred by virtue of the Act by the Office of Qualifications and Examinations Regulation, and

(3) any increase attributable to the Act in the sums payable by virtue of any other Act out of money provided by Parliament.—*(Mr. Watts.)*

Question agreed to.

APPRENTICESHIPS, SKILLS, CHILDREN AND LEARNING BILL (WAYS AND MEANS)

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Apprenticeships, Skills, Children and Learning Bill it is expedient to authorise—

(1) the charging of fees in respect of apprenticeship certificates, the provision of services by the Office of Qualifications and Examinations Regulation and the provision of services or other assistance by the Qualifications and Curriculum Development Agency, and

(2) the payment of sums into the Consolidated Fund.—*(Mr. Watts.)*

Question agreed to.

Business without Debate

BUSINESS OF THE HOUSE

Motion made,

That, in respect of the Northern Ireland Bill, notices of Amendments, new Clauses and new Schedules to be moved in Committee may be accepted by the Clerks at the Table before the Bill has been read a second time.—*(Mr. Watts.)*

Hon. Members: Object.

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

LEGAL SERVICES COMMISSION

That the draft Criminal Defence Service (Information Requests) Regulations 2009, which were laid before this House on 21 January, be approved.—*(Mr. Watts.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 18(1)),

LICENSES AND LICENSING

That the draft Legislative Reform (Supervision of Alcohol Sales in Church and Village Halls &c.) Order 2009, which was laid before this House on 8 December, be approved.—*(Mr. Watts.)*

Question agreed to.

Workplace Parking Levy (Nottingham)

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Watts.)*

10 pm

Mr. John Heppell (Nottingham, East) (Lab): Thank you, Mr. Speaker, for allowing me to debate an issue that causes great concern to the people of Nottingham.

If I had been reading the local and national newspapers, I would have assumed that the workplace parking levy was some dreadful tax being forced on businesses, that it was not supported by anyone in Nottingham, whether business or the local community, and that it was badly thought out and should be dropped immediately. In reality, that picture is a long way from the truth.

There has, in fact, been a good campaign. I congratulate the regional CBI, the Derby and Nottingham chamber of commerce, the national chamber of commerce and even Front-Bench Tory spokespeople, who seem to have swallowed the misinformation and exaggeration put across by some of the people opposed to the scheme.

Mr. Graham Allen (Nottingham, North) (Lab): But does my hon. Friend think that the opposition of the Conservative Front Bench and elsewhere is rather exposed by the fact that no Conservatives—either on the Front or the Back Benches—are in the Chamber? Perhaps it is too late for them.

Mr. Heppell: I am grateful to my hon. Friend for that question, but that does not surprise me at all. In some respects, others should not be interested in the issue because it is something for the people of Nottingham; it is not for the regional CBI, or the regional or national chambers of commerce. People in Derby, Leicester, Manchester and across the country can forget about the scheme; if it does not work in Nottingham, I guarantee that nobody will bring it in anywhere else. Nottingham city wants to bring in the scheme and, to be quite honest, we would appreciate it if people who are not involved in Nottingham city kept their oar out.

The economy of greater Nottingham is the largest in the region. It is worth more than £11.2 billion and employs more than 300,000 people. Congestion in Nottingham itself costs £160 million a year and half that cost falls to business, which has been on to me for years and years—I am sure the same is true for my hon. Friend—saying, "When are you going to do something about this congestion?" That is why the first tram appeared in the city.

The problem has gone on not just for years but for decades, since I was a county councillor, and that is one reason why I am an advocate of public transport. It is not that I am anti-car—I want to use my car—but I realise that if we all use our cars at once, the roads will be so crowded that it will be a waste of time. I want people to have the choice of using public transport when they can.

The reality is that in Nottingham, 70 per cent. of congestion at peak time is caused by commuters. The proposal tries to address that. It looks at where the biggest problem lies. It is not, as some suggest, an ill-thought-out idea that has been put together on the back of an envelope. The city council has been looking into the matter for years. I can remember considering what we would do about the problem when I was a county councillor. The city council thought about road pricing, too, although perhaps not in as detailed a way as people would have liked. It rejected that, and came back to the idea of the workplace levy.

The workplace levy is attractive to us because of its simplicity. It is low-cost; it is simple to introduce; and it fits in with the timetable for other transport measures, such as phase 2 of the tram project. The levy is targeted specifically at commuting drivers, who are considered to be the main contributors to congestion. It is a scheme that fits the bill for Nottingham—but perhaps not for ever. I think that there will come a time when we will want to do something more sophisticated with fancy technology. However, that technology is not there yet, and the levy fits us at the moment.

The view has been expressed that the scheme is not about congestion, and that annoys me. It is suggested that it is just a stealth tax that the council has decided to introduce, and that it will not help to ease congestion at all. Again, nothing is further from the truth. The scheme deals with congestion in every respect. Let us look at what it does. It works on the same basis as other environmental schemes—the polluter pays. If a company has no workplace parking spaces, it will not pay any money. If a person never uses a workplace parking space, they will never pay any money. If a company has workplace parking spaces, they will pay for them. If they have more, they will pay more, and if they have fewer, they will pay less.

What will employers do? Some of them will decide, "Let's get rid of some of these car parking spaces." Great! That will mean fewer people travelling to free spaces in the city, and fewer people using their cars, which reduces congestion. Some tell me that it will not do that; I am sure that it will. Alternatively employers will pass on the charge to their employees. They will say, "Okay, you've got to pay the charge." It is not much; it is 70p a place, which will not break any banks. However, if they pass on the charge, at least it will make people think, "Perhaps this isn't the way I should be travelling to work. Perhaps I should use some other form of transport, if that is possible." If they do, that will reduce congestion, too.

The main point is that all the money that is collected is hypothecated. The Government and the council will get nothing. In fact, the councillors are among those who will have to pay the workplace parking levy for the parking that they use in the city centre, which is effectively free. I do not think that many people in Nottingham will mind the fact that the councillors will have to pay.

I want to dispel one of the arguments put forward—the argument that the levy discriminates. Part of the campaign has involved trying to enlist the unions, and people have said, "This is terrible. It discriminates against shift workers; it is really bad for them." Well, they have picked the wrong person to argue with if they want to argue that point with me. I started working shifts in the pits on my 17th birthday. I worked shifts for almost all my adult working life. Until I became a politician, I worked shifts all the time. In industry, when I worked shifts, I did not have a car. Nobody had a car in those days. We did not come to work in a car; we had the pit bus. It picked people up along the route—seven, eight, 10 or 12 miles away from the pit—and dropped them off at work. That is much more environmentally friendly than everybody driving there in their car.

[Mr. Heppell]

Things have changed, but when I was a shift worker at Toton diesel depot, not everybody got there in their car. Some people did, but everyone who went in a car picked up two, three or four other people on their way to work. There was not a parking space for every single person who went there. Some places in the city—Boots, for instance—seem to have a car space for every two employees. If we take shifts into account, I suspect that they have more car spaces than employees.

That is not all; when I was a shift worker, I resented paying a pound, or whatever it was, each week to the man who used to give me a lift in his car, so I got myself a bike. I did the Norman Tebbit thing; I got on my bike, and I cycled to Toton every week, and cycled back. When I became really prosperous, I ditched the bike and bought myself a Honda 50, and travelled to work in style and luxury. After that, I did not always use the Honda 50. Sometimes, when I became even more prosperous, I used the car, but only when I had to. Most of the time I still used the Honda 50. It was cheaper, easier and got me around. Part of the problem now is that we are not giving people choice.

As I said, the money from the scheme will be hypothecated. It will provide Link bus services so that people who do not want to use their cars will be able to take a bus. The money will pay for new bus services, among many other things. Some of us—I do not know whether that includes my hon. Friend the Member for Nottingham, North (Mr. Allen)—were taken aback by the recent flourish of opposition to the scheme. I thought there would be no more arguments about it, and that the people who were against it would shrug their shoulders and said, "Well, it's going to happen anyway. Let's forget about it." I was surprised that the opposition has been resurrected.

The scheme is not something new that has appeared out of the blue. Nottingham proposed it in 2000. It was part of the city's transport plan for 2001-02 to 2005-06. It has appeared again in the present transport plan. It is built into the package of transport proposals. It is nonsense to think that if something is taken out of the package, the rest will still stand. That is not how it works. Most of the transport proposals had the workplace parking levy built into them—for instance, the redevelopment of Nottingham's railway station. A new hub at the railway station is expecting to get some money from the workplace parking levy. If there is no levy, there will be no hub.

Improvements to the city Link buses, which join up hospitals, universities and key employment sites, will not take place if there is no parking levy. The most important thing, to me, is the tram. Everybody has accepted that that is part of our package. Perhaps another funding stream could be found quickly, but I suspect not. I suspect that that would probably knock our application for the tram back a year or two years. Who knows what could happen in these times?

Nottingham express transit phase 2—the extension of the tram system—will join up 1,270 workplaces, to which 45,000 people commute. What a difference that would make to the city of Nottingham. There are a further 600 workplaces in Beeston and Chilwell in the constituency of my hon. Friend the Member for Broxtowe (Dr. Palmer). His patch would benefit as well.

Mr. Allen: My hon. Friend is generous in giving way and modest, as always, about his own contribution to transport policy in Nottingham and Nottinghamshire, as one of the pioneers of the tram that we now cherish in our city. He mentioned the time that the proposal has been around. No one can argue that they have not had their say, or that they have not had a chance to raise questions. Perhaps the city council has been too generous in allowing too long a period, instead of getting on with the scheme more quickly.

Mr. Heppell: I would not say that. I am always in favour of as much consultation as possible, and there has been plenty.

When people are asked, "Do you want an extra tax?", anyone who will have to pay it will say no. It has been claimed that businesses do not want the scheme because so many of them have said no. If it was an unqualified question, the answer would be 100 per cent. no, but some people have the vision to see how the proposal will benefit business. NET phase 2 will bring another 10,000 jobs and more than £1 billion of economic benefit to the city. It will reduce traffic growth and increase journeys by public transport. It will increase demand for park and ride by 45 per cent. and take 2,500,000 car journeys off the roads.

The scheme affects only 15 per cent. of employers. That is the problem. Most people do not want to talk about it because it does not affect them, but those 15 per cent. of employers provide 80 per cent. of the car park spaces, so the scheme embodies the idea that the polluter pays.

I would like to say a lot more things, but I shall end by saying this. As my hon. Friend the Member for Nottingham, North said, I was the original chairman of the steering group that set up the first tram. That project was a partnership between business, the county council and the city council. It was a private finance initiative that delivered everything that it set out to do—it was on time and on budget, and there was more patronage than expected. It was a success by any measure. Everybody who opposed the tram now thinks that it is a great thing.

If people had been asked whether they wanted the tram to be extended, they would have said yes; if they had been asked whether business should pay its part towards that, they would have said yes. In those days, business had a vision of what the future in Nottingham was about and of investment for the future. I hope that business is not now retreating into looking only to what is good for shareholders. If Jesse Boot—a great Nottingham business man, but also a great supporter of the community and of Nottingham—were alive today, he would say, "Let's do what's right for the community." I hope that people in business now decide to do what is right for the community and for Nottingham—especially when doing what is right for the city is also right for business. All the Nottingham MPs, the city council, the majority of businesses and almost all the population support the proposal. I hope that the Minister will offer us his support in the near future.

10.16 pm

The Parliamentary Under-Secretary of State for Transport (Paul Clark): I congratulate my hon. Friend the Member for Nottingham, East (Mr. Heppell) on securing this debate. I recognise the passion with which he has put his

case on behalf of his beloved city of Nottingham. Before becoming a Member of Parliament, he undertook work in many guises for that fair city, including as a councillor.

My hon. Friend has already expressed clearly in correspondence concerns about the proposed tramway extensions, the workplace parking levy and related issues. I should put on the record the support shown for the proposal, in this debate and through correspondence, by my hon. Friends the Members for Nottingham, North (Mr. Allen) and for Nottingham, South (Alan Simpson).

My hon. Friend the Member for Nottingham, East will be aware that the Department for Transport is currently engaged in statutory procedures for considering representations both for and against the tram extensions and the workplace parking levy scheme proposed by Nottingham city council to fund its local contribution to the tram extension. My hon. Friend will have to forgive me if what I can say in responding to this debate is limited—only because we are in the middle of a quasi-judicial process, certainly not because of any lack of willingness to discuss the issues.

As my hon. Friend pointed out, Nottingham is important economically, which is why it has been designated as a core city. It is one of eight core cities recognised by the Government as the most important drivers of the national economy outside London. Nottingham city council has attached great importance to improving local transport and increasing the use of public transport, and is rightly proud of its achievements, which have received both national and international recognition. The existing tram system, Nottingham express transit—or NET 1, as it is known—has been in operation for almost five years and about 10 million passengers use it every year. It is certainly recognised as a success.

The Department is currently considering whether to give powers and planning permission under the Transport and Works Act 1992 for two extensions to the Nottingham tram system. My hon. Friend has indicated his passionate belief in the importance of those links, rightly observing that they would link residential areas, the ng2 development site, the main hospital and Beeston town centre, to name but a few places. I cannot comment on the merits of those proposals as I must be careful not to prejudice the decision that will be taken in the light of the inquiry inspector's report, but let me assure right hon. and hon. Members that we will announce our decision as soon as possible.

Nottingham city council is proposing to fund the local contribution to the tramway extensions and reduce road congestion through a workplace parking levy. It might be helpful to explain that workplace parking levy schemes are just one of a range of measures available to local authorities for improving local transport and tackling congestion. Indeed, my hon. Friend took us on a walk down memory lane in describing his working experiences, highlighting the importance of car-sharing schemes as another practical solution in helping to tackle congestion. I am delighted that he got on his bike. As the Minister with responsibility for cycling, I think that that is an admirable cause; I sincerely hope that he has his national cycling proficiency test award. I will not ask him if he still has the Honda 50. That shows the other options that are available to any towns, cities or communities, or to any of us as individuals, as an alternative to necessarily using the car.

The principle of schemes such as the workplace parking levy is that a levy is collected from local businesses for employee parking spaces with the intention of deterring commuter traffic, and that businesses will then have the incentive to encourage alternative transport arrangements for their employees. Powers for local authorities to introduce workplace parking levy schemes were included in the Transport Act 2000, along with powers to introduce road user charging schemes. Similar powers were given to London authorities under the Greater London Authority Act 1999. Any revenues from such schemes must be invested in local transport—a point clearly amplified by my hon. Friend. Originally, under the 2000 Act, those revenue streams were to be hypothecated for a period of 10 years. However, in the Local Transport Act 2008 we changed that to extend the requirement for the revenue streams to be used for local transport throughout the life of the scheme.

Decisions on whether to introduce these schemes are a matter for the relevant local traffic authority, but schemes in England require the approval of the Secretary of State before they can be brought into operation. Hon. Members will know from the statement that I made on 11 December 2008 that we are consulting until 5 March on draft regulations for workplace parking levy schemes in general. As I explained on 11 December, a workplace parking levy order, which is required for each scheme, cannot come into force until confirmed by the Secretary of State for Transport.

Nottingham's proposals for its scheme, which it hopes to introduce in April next year, are that it would operate across the whole council area, 24 hours a day, seven days a week; and if implemented in 2010, the charge per liable parking space would be £185 a year, rising to £350 in 2014. The city council proposes to provide 100 per cent. discounts for emergency services, as well as places for disabled badge holders and for workplaces where the number of spaces provided is 10 or fewer, which it estimates to be 85 per cent. of businesses in its area; that equates to my hon. Friend's figure of 15 per cent. that would be liable. The council estimates that the revenue would be 1 per cent. of turnover for 95 per cent. of liable businesses and that 80 per cent. of the parking spaces are provided by the 15 per cent. of businesses that will be liable to pay the levy.

The Secretary of State cannot consider Nottingham city council's order in the absence of an appropriate regulatory framework of specified offences and enforcement procedures. That is vital to enable consideration of whether the scheme would be enforceable. We will be considering carefully the implications of the responses to our consultation on the proposed regulations, both for the way forward on regulations and the city council's scheme order. Again, we will announce our decision as soon as possible.

The procedures that the Department is following in considering the city council's application are very similar to those that apply to planning applications. The decision-making process must be fair, open and impartial, and must be seen to be so. If it is not, it is open to challenge by judicial review. If the court decided that the legal principles of fairness had not been followed, it could well overturn the decision, leading to further delay, which I am sure my hon. Friend the Member for Nottingham, East would not wish to see.

[Paul Clark]

Ministers and officials follow a code of practice and a code of conduct which advise, among other things, that we should not take part in a decision in which we have, or might be perceived to have, a constituency interest; nor should we discuss the case with any interested party. For those reasons, it would not be appropriate for Ministers or officials to discuss the details of Nottingham's proposals with interested parties. I can assure my hon. Friends that all written representations will be taken into account by the Minister who takes the decision on the city council's application.

I should also perhaps clarify that, in accordance with the ministerial code of conduct, the decisions on the city council's tram extensions, in relation to both planning and central funding, and that on the workplace parking levy scheme order, will be taken by Ministers on behalf of my right hon. Friend the Secretary of State, because they might have an impact on his constituency of Ashfield. He will, therefore, exclude himself from the decision-making process.

Although we have yet to confirm exactly which Ministers will make decisions, in order to avoid conflicts within the decision-making process we expect different Ministers to make decisions on the Transport and Works Act order, the workplace parking levy scheme order and the funding decisions on the NET 2 scheme—that is, the extension to the tram system.

In conclusion, we recognise the potential. We recognise the passion with which the desire to move forward with the workplace parking levy and the tram extension is held by hon. Members in this Chamber who represent the city of Nottingham, and by others. We recognise that we need to have in place the proper procedures. We are moving forward with those procedures and we will make decisions as soon as possible. I am grateful to my hon. Friend for giving us the opportunity to explain the position.

Question put and agreed to.

10.28 pm

House adjourned.

House of Commons

Tuesday 24 February 2009

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER in the Chair]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH OFFICE

The Secretary of State was asked—

Israel

1. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What assessment he has made of the implications of the outcome of the general election in Israel for UK policy in the region; and if he will make a statement. [257913]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): The composition of the next Israeli Government is not yet clear. However, at the earliest opportunity, the UK will engage with Israel's new Government on the important task of reinvigorating a serious political dialogue aimed at establishing a lasting and just regional peace between Israel and its neighbours. Working with and supporting all parties in their efforts to reach that goal will remain a central tenet of the UK's policy in the region.

David Taylor: With right-wing religious nationalists now vying for control of the Knesset, there appears to be little prospect of peace for the families and friends of the 1,300 Gazans killed and 5,500 injured by Israeli military operations before and during the recent general election campaign. Does my right hon. Friend agree that Hamas's rocket attacks on Israel can no longer be accepted by our Government or the international community as justification for the Israeli Government's criminal actions in the slaughter and maiming of innocent Palestinian citizens?

David Miliband: I think that the prospects for peace probably seem very remote for a large number of people in the middle east, which is a reason for us to redouble our efforts to secure that peace. On the second part of my hon. Friend's question, it is very important that we condemn all loss of innocent civilian life on any side. We should not get into the business of justifying one set of civilian losses because of another. A vital part of our work and, critically, the work of the new US Administration, is to try to build a durable peace that is in the interests of Israelis and Palestinians alike.

Mr. Anthony Steen (Totnes) (Con): Is the Foreign Secretary aware that Israel is one of the most advanced countries in the world in tackling human trafficking? The number of convictions of traffickers is up and the amount of compensation paid to victims and the amount of legislation on the statute book are increasing. Will he take a lead from the Israeli Government and see that all embassies with which we have visa arrangements have leaflets explaining to people applying for visas that they should be aware of the dangers of human trafficking?

David Miliband: I was not aware of Israel's record in that regard, and I shall certainly find out our own practice in that area. The work against human trafficking brings together all civilised people, and if there is anything that we have to learn from the Israeli approach, we will certainly do so.

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): I have just come back from Gaza, where I saw whole business districts, villages, hospitals and schools that had been systematically razed to the ground by a Government of the centre left, as we are now told to call them. The prospects for progress on peace and other matters being made by a Government of the far right seem unlikely without pressure from this Government and their international partners. What does my right hon. Friend believe those pressures should be?

David Miliband: The picture that my hon. Friend paints of the situation in Gaza was confirmed to me by Senator Kerry, whom I met on Sunday and who had also recently been in Gaza. He painted a picture of extreme devastation right across Gaza. As I said, there is not yet a Government in Israel, but the most significant thing is that in the latter part of last year, we were talking in the House about the importance of the new US Administration engaging on middle east issues from day one, which has indeed happened.

I will be in Sharm el Sheikh on Monday with Secretary Clinton at the donors conference, talking about not just the narrow issues of humanitarian aid and reconstruction but the wider political issues that are raised. I will be in Cairo later today, where I will certainly take up those wider political issues. Those are the key points that need to be on the table for any Government who emerge in Israel.

Sir Patrick Cormack (South Staffordshire) (Con): Will the Secretary of State and Mrs. Clinton, when they are together next week, make it quietly but firmly plain to those who aspire to power in Israel, first, that indiscriminate slaughter is not an acceptable instrument of policy and, secondly, that a two-state solution is the only viable solution to middle eastern problems?

David Miliband: The hon. Gentleman is right to emphasise the importance of restating a commitment to a two-state solution. It is fair to say that it is an indicator of how dangerous the situation is that the mere repetition of that commitment is in itself important. At this time, it is very important to keep on the table the commitment to a two-state solution, especially by the United States, given that the division between Gaza and the west bank currently threatens the very heart of the idea of a contiguous and viable Palestinian state.

Mr. Mark Hendrick (Preston) (Lab/Co-op): My hon. Friend the Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) made the point that a Government of the centre left could not find a road to peace, and it seems likely that we will have a Government of the right in Israel shortly. The Foreign Secretary has made it plain that he, along with the international community, wishes to redouble his efforts to try to get a settlement and agreement in the region. How optimistic is he, given the clear political obstacles that the composition of the new Government presents?

David Miliband: The situation on the ground means that anyone who claims to be optimistic at the moment is not engaging with the facts. It is not an optimistic, but a dangerous moment. The dangers mean that not only European countries and the United States, but—critically—countries throughout the Arab world, as well as Israel, have to peer into the abyss of the idea of a two-state solution disappearing. That is dangerous for Israel and for the whole Arab world. It is one reason for my putting such stress in the past six months on the Arab peace initiative, which offers not only a two-state solution, but the prospect of 23 states—Israel and 22 states of the Arab League—normalising relations with each other on the back of the creation of a Palestinian state. That regional approach is essential at this time.

Mr. David Lidington (Aylesbury) (Con): Does the Foreign Secretary agree that Israel is entitled to insist that the Palestinians and the wider Arab world accept her right to exist? Does he also accept that, when Israeli political leaders talk about refusing to countenance a Palestinian state or make promises about expanding illegal settlements, that undercuts the position of every Arab leader who is genuinely committed to peace?

David Miliband: Yes, it is important—I hope that it is noted—that, in all parties in the House, there is an absolute commitment to the centrality of Israel at the foundation of a stable middle east and to the fact that Israel, never mind the Palestinians, will have safety and justice with the creation of a Palestinian state. It is significant that, across the United Kingdom political spectrum, every party is committed to the goal of a safe Israel alongside a viable Palestinian state in a region that benefits from that co-existence. I think that the cross-party commitment to using all Britain's assets to further that goal is widely welcomed, and it is something that I carry with me as I travel in the region.

Democratic Republic of Congo

2. **Judy Mallaber** (Amber Valley) (Lab): What representations he has made to the Governments of Rwanda and the Democratic Republic of Congo on the effects on civilians of the military conflict in eastern DRC. [257914]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Gillian Merron): The Foreign Secretary and the Minister for Africa urged the Presidents of Rwanda and of the DRC to work to resolve the instability in eastern DRC when they visited the region last year. We have continually raised the protection of civilians with both Governments, directly and through the European Union and the United Nations. Those efforts, as part of international pressure, have led to real political progress.

Judy Mallaber: I thank the Minister for that answer. The current joint operation in eastern Congo is unlikely to eradicate the presence of the Forces Démocratiques de Libération du Rwanda—FDLR—before the Rwandans reach the end of the time that they had allocated for that. Will my hon. Friend press the United Nations mission in the Democratic Republic of Congo—MONUC—and the Congolese Government to ensure that there is a strategy in place to deal robustly with what remains of the movement? Does she agree that it is essential quickly to get the reinforcements for MONUC, which were agreed in December at the UN, to deal with the FDLR and with the Lord's Resistance Army in northern Congo, where 900 people have recently been killed?

Gillian Merron: First, I commend my hon. Friend's work in the region and her assessment of the position. I can give the reassurance that we have continued to press the DRC Government to plan for post-military action, including humanitarian work and stabilisation, in the way that she describes. As she says, MONUC is key to that, as is the DRC Government's working with MONUC and the reinforcement of MONUC troops. I understand that most of the 3,000 reinforcements have been identified, and that MONUC will soon send extra troops to northern Congo.

Mr. Robert Walter (North Dorset) (Con): May I press the Under-Secretary a little further on the future of the United Nations peacekeeping force in the Congo? It has become clear that the MONUC force is incapable of effectively keeping the peace in eastern Congo. I understand from this morning's *Financial Times* that discussions have taken place between the British and the French Governments about the future of UN peacekeeping forces, including the one in the Congo. Will the Under-Secretary give us a little more information about that?

Gillian Merron: Indeed, there are discussions at the UN about all peacekeeping operations. It is important to emphasise that a successful political process will bring peace and a decent future to the region—the problems cannot be solved by military means alone. However, the role of MONUC troops is essential and that is why we seek and support their reinforcement.

Mr. Eric Joyce (Falkirk) (Lab): May I draw my hon. Friend's attention to early-day motion 810, which refers to the sad death of Dr. Alison Des Forges? Dr. Des Forges met a number of hon. Members the day before she was killed a couple of weeks ago. She was unquestionably one of the world's leading authorities on the great lakes region. Will my hon. Friend join me and the House in sending her condolences to Dr. Des Forges's family?

Gillian Merron: I certainly will. I would add that perhaps the greatest tribute that we can give to somebody of such stature is to seek peace and a decent future for the DRC and, indeed, the whole region. I thank my hon. Friend for his contribution, both through the all-party parliamentary group and by drawing the issue to the attention of the House through his early-day motion.

Iran's Nuclear Programme

3. **Paddy Tipping** (Sherwood) (Lab): What recent discussions he has had with his EU counterparts on Iran's nuclear programme. [257915]

The Minister of State, Foreign and Commonwealth Office (Bill Rammell): The Foreign Secretary and other Ministers regularly discuss Iran and its nuclear programme with our European Union counterparts. The EU has consistently been at the forefront of the international response to the Iran nuclear issue. The E3 plus 3 reaffirmed its unity and commitment on 4 February to achieving a diplomatic resolution to the Iran nuclear issue.

Paddy Tipping: I am grateful for that reply, but will the Minister ensure that those European discussions link closely with the potential of the new President of the United States, who seems to hold the possibility of a more flexible and open approach towards Iran?

Bill Rammell: We very much welcome the US Administration's willingness to engage directly with Iran, which I think is what my hon. Friend was referring to. However, no one should be in any doubt that President Obama has made it clear that a nuclear-armed Iran is unacceptable. Iran has to make a choice between, on the one hand, the very generous E3 plus 3 offer and a transformed relationship with the international community and, on the other hand, continuing on the path of confrontation, increasing isolation, and tougher and expanded sanctions.

Mr. Mark Harper (Forest of Dean) (Con): When the Secretary of State meets the US Secretary of State next week, what will he be able to tell her about what further steps the EU is going to take, given that the International Atomic Energy Agency has confirmed that Iran has now enriched enough uranium to make a nuclear weapon?

Bill Rammell: The US is reviewing its position with regard to Iran, and we are discussing the issue. However, as I have made clear, President Obama has made it clear that a nuclear-armed Iran is unacceptable. We all need to work together to force Iran to confront that fundamental choice: on the one hand, engagement and all the benefits that it can bring or, on the other, increased isolation.

Jeremy Corbyn (Islington, North) (Lab): Does the Minister not agree that this might be a good opportunity to launch the idea of a nuclear-free middle east, which would involve the non-development of nuclear weapons by any existing states in the middle east and, of course, nuclear disarmament by the only nuclear-armed state in the region, namely Israel? Does he not also agree that this year's forthcoming non-proliferation treaty preparatory committee, or prepcom, would be a good time to launch such an initiative?

Bill Rammell: I am sure that my hon. Friend would welcome the fact that this country and this Government are the most forward-leaning of the nuclear weapon states in terms of disarmament. We need constantly to reiterate that. We are also very committed to a nuclear-free middle east and have consistently urged the Government of Israel to sign up to the NPT as a non-nuclear weapon state.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): The possible formation of a Government under Mr. Netanyahu is a matter of some concern in the context of the Iranian nuclear programme. Will the Minister and EU Ministers impress upon any Government headed by Mr. Netanyahu the vital importance of restraint and of working in concert with the EU countries and the United States, and that his Government should not contemplate any unilateral action?

Bill Rammell: Let me make it clear to the right hon. and learned Gentleman that we have consistently been 100 per cent. committed to a diplomatic solution. Nevertheless, we face a serious challenge in respect of Iran. The whole international community needs to focus Iran on the choice that it faces.

Dr. Stephen Ladyman (South Thanet) (Lab): Carrying on doing what we are doing and expecting it to have a different outcome would seem to be folly. What we are doing now seems in no way to be slowing down the Iranian nuclear programme. If we are to avoid the accusation in two years' time that we allowed the world to drift into a nightmare, how do we and our EU partners take things to the next level in applying pressure on Iran? In particular, those in the Arab world have just as much to lose from a nuclear-armed Iran, so how do we get them to join us?

Bill Rammell: My hon. Friend makes an exceedingly pertinent point. In all the discussions that I have in the middle east, there is significant concern, among the Gulf states and other middle east states, about the position of Iran. We need to maximise the consensus and force Iran to face the choice that is before it. The United States Administration have rightly said that they are willing in principle to open a direct dialogue with Iran. We need to reinforce that. We also need to maximise the unity and get Iran to the point where it makes the choice that is necessary.

Mr. Mark Francois (Rayleigh) (Con): The latest report from the IAEA states that Iran has now stockpiled more than 1,000 kg of low-enriched uranium. If Iran continues at this pace, it will be a matter not of if, but when, it actually has a nuclear weapons capability. Can the Minister therefore assure the House that the EU will now finally muster the will to impose the key sanctions that the Prime Minister first announced back in 2007 on investment in Iranian oil and gas?

Bill Rammell: The European Union, as I argued earlier, has been at the forefront of those internationally arguing for and urging sanctions. The latest IAEA report is one of real and serious concern. It underlines the reasons why we have a lack of confidence in that Iran has not responded to the IAEA report and is not allowing legitimate access. We need to keep up the argument that that is what we rightly expect Iran to do.

UK-China Relations

4. **Mr. Denis Murphy** (Wansbeck) (Lab): What assessment he has made of the provisions of the UK-China framework for engagement. [257916]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): I launched the UK-China framework last month because the Government believe that positive engagement with China is essential to achieving our wider international objectives and to addressing the major global challenges, including the current economic crisis. We welcome the positive response from the Chinese Government to this strategy, we will monitor progress against its detailed objectives, and we will welcome the views of Members and others.

Mr. Murphy: Given my right hon. Friend's rather special relationship with the US Secretary of State, Hillary Clinton, can he comment on the US's new approach to China and inform the House whether that new approach will impact in any way on the policies of the United Kingdom?

David Miliband: My hon. Friend will be pleased to hear that I spoke to my new friend in advance of her trip to China. I think that the messages she gave to the Chinese about the determination of the whole of the American Government to engage with China in a new way is wholly welcome. There was, I think, in Secretary Clinton's remarks in Beijing an important recognition of the changed balance of power in the world and of China's centrality to addressing many of the big global problems we face—not least economic and environmental problems and nuclear proliferation.

Willie Rennie (Dunfermline and West Fife) (LD): If we are ever to secure peace in Afghanistan, we are going to have to engage all the countries in the wider region, including China, especially if we are going to seek a final solution in that area. What discussions have the Government had with China about engaging with Iran to provide that solution?

David Miliband: I agree with the hon. Gentleman. We obviously talked about Afghanistan during the visit of Premier Wen and Foreign Minister Yang at the beginning of this month. I was in Afghanistan last week. I believe that the important regional approach taken by the new envoy, Ambassador Holbrooke, is wholly welcome.

Mr. Denis MacShane (Rotherham) (Lab): As literally millions and millions of Chinese people lose their jobs with the Chinese economy going into even freer fall than the European and American economies, there are political consequences. In my right hon. Friend's talks with the Chinese, will he gently suggest that the next economic paradigm has to be based on workers being able to earn enough to buy what they produce and to have social and other networks of support? Will he further bring into play the International Labour Organisation to urge the Chinese to develop a much fairer social and wage system in their country?

David Miliband: I think that my right hon. Friend will recognise the irony of China riding to the rescue of international capitalism at this time, but his points about the balance of economic and social stability in China are very well made. Our human rights dialogue certainly provides one opportunity to raise a whole range of social issues with the Chinese Government.

Mr. David Heathcoat-Amory (Wells) (Con): Is the Secretary of State aware that when North Koreans try to leave that dictatorship, they often cross into China, where they are rounded up and sent back to North Korea in defiance of all China's obligations as a signatory to the UN refugee convention? The fate of these returnees to North Korea is extremely gruesome, so will the Secretary of State ensure that his new love-in with China—whether via Mrs. Clinton or anyone else—does not prevent him and the Government from raising this issue with the Chinese Government as a matter of urgency, or does he think that China is too important and large to merit such criticism?

David Miliband: The right hon. Gentleman raises an important point, which is one that we have raised with the Chinese. I think I should write to him with a report on how those discussions have gone and what the latest stage is. The importance of our engagement with China is precisely that, because we engage with the Chinese, we are able to raise all issues, including human rights issues, openly and frankly. That spirit of candour has been developed over the past few years in our relationship with China. Respect for China does not mean the relegation of our concerns to a subsidiary role. In fact, I would argue that the respect that is afforded to China is the basis for proper engagement on issues that concern us.

Sri Lanka

5. **Joan Ryan** (Enfield, North) (Lab): What recent assessment he has made of the political situation in Sri Lanka; and if he will make a statement. [257917]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): The recent military advances by the Sri Lankan Government and the subsequent humanitarian crisis are of continuing serious concern. We have repeatedly called for an immediate humanitarian ceasefire. We have made it clear to the Government of Sri Lanka that a political solution that addresses the legitimate concerns of all communities in Sri Lanka is the only way to bring a sustainable end to the conflict.

Our commitment to that goal and our desire to work with the Sri Lankan Government are clear in the appointment of an experienced former Secretary of State, my right hon. Friend the Member for Kilmarnock and Loudoun (Des Browne), as the Prime Minister's special envoy. I remain in active discussion with the Sri Lankan Government to encourage them to work with him.

Joan Ryan: I thank my right hon. Friend for that answer and also welcome the appointment of my right hon. Friend the Member for Kilmarnock and Loudoun as special envoy to Sri Lanka, as well as the statements made in the House by members of the Government regarding ceasefire, but warm words and good intentions will not protect the civilians of the Vanni.

My right hon. Friend the Foreign Secretary will be aware that, in the last 24 hours, a ceasefire offer has been made but was rejected out of hand by the Government of Sri Lanka. The situation is grave, with 2,000 civilian deaths since January. Is not now the time for the Government to take the issue up at the highest levels—namely, at a session of the United Nations Human Rights Council or in the Security Council itself, or by seeking the suspension from the Commonwealth of the Government of Sri Lanka?

David Miliband: The situation is indeed extremely serious. For some time, the Sri Lankan authorities were offering a ceasefire and it was rejected by the Liberation Tigers of Tamil Eelam. Now there is news of an LTTE offer, which has been rejected by the Government. My right hon. Friend will have seen the strong conclusions reached by the European General Affairs and External Relations Council yesterday on the Sri Lankan issue, which are wholly appropriate and welcome, and she can be assured that we continue to press at the highest levels for humanitarian assistance and for a ceasefire.

Mr. Edward Davey (Kingston and Surbiton) (LD): Further to the point made by the right hon. Member for Enfield, North (Joan Ryan), will the Foreign Secretary explain to the House why the Government have not sought a resolution of the UN Security Council for a ceasefire in Sri Lanka? Indeed, why, when Mexico recently asked for the council to be briefed on Sri Lanka, did the British representative to the UN fail to support that call? Does the Foreign Secretary realise that people get pretty angry when UK Ministers here in London talk about and call for a ceasefire, but British officials in New York do not follow through?

David Miliband: I am sorry to hear the hon. Gentleman talk in that way, because he knows that a failed resolution—one that faces a veto—is worse than no resolution at all, and it would strengthen precisely the forces that he and I oppose. I can assure him that our diplomats, whether in New York or in the region, are all working off the same script, which is one that has been set by the Prime Minister and me.

Mike Gapes (Ilford, South) (Lab/Co-op): Can the Foreign Secretary confirm that the problem in the Security Council is not the UK Government, but the Russian Government, who refuse to support the Security Council resolution? Therefore, unlike in Gaza, we are unable to get the Security Council resolution that is so needed.

David Miliband: There certainly is a blockage at the UN. That is why the UN has not been able to opine on this issue.

Andrew Stunell (Hazel Grove) (LD): The Secretary of State will know that there are credible reports of atrocities on both sides. Will he assure the House that the Government will channel their energies into getting this ceasefire before more and more civilians are killed and brought into the conflict?

David Miliband: Yes. The tragedy in Sri Lanka has claimed 70,000 lives in the course of the conflict. That conflict is against the interests of all Sri Lanka's communities, which could find a way to live together if they had representation that was able to eschew violence and look for a political solution. I assure the hon. Gentleman that we are using all our best efforts to achieve that. It is deeply to be regretted that the appointment of an envoy has not yet been met with a welcome in Colombo, but that is what we are working for.

Fiona Mactaggart (Slough) (Lab): But will that envoy be able to help us ensure that Ban Ki-Moon's commitment to supporting a ceasefire that enables civilians to leave the hot areas in Sri Lanka can be realised? Families in Britain are anxious about relatives of whom they have heard nothing for months. We need to help them, and their relatives, to be safe.

David Miliband: My hon. Friend speaks about this issue with knowledge and passion. She is absolutely right about the need for us to do all that we can to protect those civilians, including working with the United Nations. There are very distressing reports of both sides interfering with civilians' ability to find safety. It is at the heart of our concerns not just to try to provide money, but to try to provide space to which civilians can escape and in which they can be given proper safety. The situation is deeply distressing, not just to people in the region but to many, many people in the United Kingdom.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Some of the signals coming from the Sri Lankan Government imply that they are quite prepared to go ahead with acts of genocide. Time is of the essence. I understand that the right hon. Gentleman is doing what he can, but many of us are deeply worried about what is going on in Sri Lanka and, as time goes by, it is getting worse. The next fortnight may be crucial. May I urge the right hon. Gentleman to think again about every possible avenue that might enable a horrible humanitarian catastrophe to be averted?

David Miliband: The hon. Gentleman has raised an important point. Sri Lanka has a democratic Government, and—as I have said in another context—high standards are rightly expected of democratic Governments, and should be adhered to by every single Government.

What the hon. Gentleman said about the Sri Lankan Government was absolutely right. No one denies that there is a terrorist problem in Sri Lanka. That terrorist problem poses a mortal threat to Sri Lankans in all communities, but the resolution of that terrorist problem cannot be achieved at the expense of the rights of minority communities in Sri Lanka, and that is what we are trying to work on.

Mr. Andrew Love (Edmonton) (Lab/Co-op): As chairman of the all-party parliamentary group on Sri Lanka, I welcome the appointment of my right hon. Friend the Member for Kilmarnock and Loudoun (Des Browne), and wish him well in his discussions with the Government there.

Human Rights Watch reported recently that 2,000 people had died and 5,000 had been injured—innocent civilians caught in the conflict. There are now reports that the so-called safe areas are no longer safe because conflict is proceeding there. I have noted the comments of my right hon. Friend the Foreign Secretary. Will he redouble his efforts to secure a humanitarian corridor that will allow innocent civilians to escape entirely from the area of conflict in the Vanni?

David Miliband: I recognise the work that my hon. Friend has done as chairman of the all-party group. We will certainly explore all options for the provision of civilian safety, including a ceasefire, a humanitarian corridor and humanitarian safe zones. The situation does indeed get worse day by day. The stories that emerge are of extreme cruelty—cruelty, I have to say, on both sides—and it is very important for the international community to work on the issue. The unanimity of the European Union's response yesterday is an important indication that the issue is rightly becoming higher on the international agenda.

Mr. Keith Simpson (Mid-Norfolk) (Con): Obviously we all wish the right hon. Member for Kilmarnock and Loudoun (Des Browne) great success. However, is it not the case that after the Prime Minister had announced the right hon. Gentleman's appointment, the Sri Lankan Government made it clear that they had not been consulted and that they found the whole thing extremely objectionable, and is it not the case that, on Wednesday 18 February, the Sri Lankan Cabinet met and refused to withdraw its opposition to the right hon. Gentleman's appointment? If that is so, it must mean either that the right hon. Gentleman personally is unacceptable—which I would find strange—or that a special envoy from the United Kingdom is unacceptable and will therefore be in permanent limbo.

David Miliband: I am sorry that the hon. Gentleman has taken the position that he has, because following a letter from our Prime Minister to the President of Sri Lanka, I spoke to the President of Sri Lanka on 30 January—a long time before the date the hon. Gentleman mentioned—and President Rajapakse said he would engage with a UK envoy. Two meetings between our high commissioner and the President confirmed that position, so it is important that we do not leave on the record the suggestion that there was not consultation. There was, indeed, consultation on this issue, and that is why we are working hard to explain to the Sri Lankan Government not only the virtues of my right hon. Friend the Member for Kilmarnock and Loudoun, but the potential benefit of a UK envoy, joining envoys from Japan, Norway and other countries, playing a positive role in the conflict.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): Among the civilian deaths in the north of Sri Lanka as a result of the Sri Lankan Government's military action are 11 relatives of a member of the Milton Keynes Tamil Forum. What she wants to know is what justice there will be for her relatives killed in that action. Can the Foreign Secretary offer any hope of justice?

David Miliband: The constituent my hon. Friend mentions has lost 11 relatives, and it is impossible from this Dispatch Box to say anything that will give someone in such a situation, at a time of such huge distress, any sense of real comfort. She is among a large number of people in this country who have lost large numbers of relatives in this terrible conflict. I can assure her and every person who has Sri Lankan heritage or relatives in Sri Lanka that their Government in the UK are working very hard, internationally and bilaterally, on the issue. There are responsibilities on the LTTE, but there are also responsibilities on the Sri Lankan Government, and both need to fulfil them.

Democratic Republic of Congo

6. **James Duddridge** (Rochford and Southend, East) (Con): What recent reports he has received on the political situation in the Democratic Republic of Congo. [257919]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Gillian Merron): The DRC and its neighbours are co-operating constructively on regional security. The Government have begun work on areas such as security sector reform and development, and the national Parliament is increasingly effective in holding the Government to account. However, much work remains to be done to achieve the lasting progress that we all want to see.

James Duddridge: In addition to looking at increasing UN troop numbers, which the Minister mentioned earlier, will she also look at the effectiveness of those troops, particularly given UN commander Bipin Rawat's comments that he can only get munitions delivered 9 to 5, Monday to Friday, not at the weekends, and that there is no capacity whatever for night flights?

Gillian Merron: Of course, this is a matter for the UN, and we will discuss it there. The MONUC team is available to the DRC and Rwandan armies to help them with their military planning, and I would encourage them to make full use of that, because what we want to see is the MONUC troops carrying out the highest priority, which is civilian protection.

Mary Creagh (Wakefield) (Lab): Developing the justice sector is key to creating political stability in the DRC. We were all delighted to see the arrest of Laurent Nkunda, the warlord who ran CNDP criminals in north Kivu, over Christmas, but what conversations has my hon. Friend had with the Governments of Rwanda and the DRC to ensure that Laurent Nkunda returns to the DRC to face justice for the unspeakable acts committed by him and his troops?

Gillian Merron: My hon. Friend is right that justice not only has to be done, but has to be seen to be done, and matters such as those are raised regularly both directly with the Governments and through the UN and EU.

Mr. Philip Hollobone (Kettering) (Con): Is it the view of Her Majesty's Government that 3,000 extra troops will be enough?

Gillian Merron: That is the estimate that has been made, and, indeed, the UK has supported the United Nations security resolution that brought about that extra reinforcement. What matters is that those reinforcements arrive as soon as possible, that they get on with the job that they are there to do, and that they assist the Rwandan and DRC Governments to protect civilians and to bring about a lasting peace. However, as I said earlier, that cannot be done only by military means. It has to be done through a political process. There has been progress, and we will continue to support that.

Gaza

7. **Mrs. Linda Riordan** (Halifax) (Lab/Co-op): What recent discussions he has had with his international counterparts on peacekeeping initiatives for the Gaza strip. [257920]

The Minister of State, Foreign and Commonwealth Office (Bill Rammell): The Foreign Secretary and I this morning met special envoy Mitchell to discuss Gaza and the middle east. We reiterated the UK's determination to support the ceasefire, both by helping to stop arms smuggling into Gaza and by pressing the Israeli Government to open the crossings. The Foreign Secretary will be leading the UK delegation to the Gaza reconstruction conference in Egypt on Monday.

Mrs. Riordan: When I recently visited Palestine with the Halifax Friends of Palestine group I saw for myself the atrocities being committed against the people there; day after day, they are terrorised, homes are demolished, concrete walls are built, which prevent children from going to school, and innocent lives are lost. Will the Minister reassure me that he is doing everything he can, working with his international counterparts, to protect the Palestinians and their land, and to find a swift and peaceful solution?

Bill Rammell: I say to my hon. Friend, who takes a real interest in these issues, that there has clearly been an unacceptable loss of innocent civilian life. The reality is that we have been at the forefront of efforts to press for a ceasefire, including by leading the way at the United Nations Security Council. We are strongly supporting efforts to stop arms smuggling into Gaza and we are strongly pressing the Israeli Government to open the crossings. However, peace will ultimately be secured by the actions of Hamas, on the one hand, and the Government of Israel, on the other.

Michael Fabricant (Lichfield) (Con): Is it not the case that Hamas continues to store arms in schools, mosques and civilian areas? The arms are clearly still getting through. Does not the international community have a role to play in stopping things being smuggled from Egypt and in assisting the Egyptian authorities in ensuring that the tunnels are maintained? *[Interruption.]*

Bill Rammell: I get the point. The hon. Gentleman is right to say that unless we tackle both sides of this, we will not get the security and the peaceful solution that people seek. That is why we, in concert with other international partners, are doing everything possible to support the Egyptian efforts to tackle smuggling across the borders. We have also, in our own right, made an offer of naval assistance, and that, too, might be able to make a contribution.

Richard Burden (Birmingham, Northfield) (Lab): My hon. Friend has indicated that the Government will pursue, with vigour, the interception of arms going into Gaza—such arms could threaten Israeli civilians. Could he say precisely what action is being taken to ensure the protection of Palestinian civilians from Israeli attack?

Bill Rammell: We led the way at the UN Security Council to obtain the ceasefire that has been achieved, fragile though it is, and we have consistently made it abundantly clear that there has been an unacceptable loss of innocent civilian life and that that has to stop. We need to provide security, not only for the Palestinians, but for the Israelis in southern Israel.

Sarah Teather (Brent, East) (LD): I have just returned from an all-party group visit to Gaza, where we witnessed the aftermath of the total destruction of the village of Izbit Abed Rabbo, east of Jabalia, and the consequences of white phosphorus attacks on a children's centre and music school. In his statement to the House on 12 January, the Foreign Secretary said that he wanted to see an investigation into such abuses. What are the Government doing to ensure that such an investigation takes place?

Bill Rammell: We have made our view clear and we have also supported the UN Secretary-General's calls for such investigations into abuses of international humanitarian law. We are certainly concerned about reports on the way in which white phosphorus ammunition has been used in Gaza, and we have made our concerns abundantly clear to the Government of Israel.

Mrs. Sharon Hodgson (Gateshead, East and Washington, West) (Lab): In light of a report published by Amnesty International on 10 February detailing extra-judicial executions carried out by Hamas, does my hon. Friend agree that there is an urgent need for the Palestinian Authority to have a presence in Gaza in order to restore the rule of law?

Bill Rammell: I agree with my hon. Friend. President Abbas is the elected leader of all Palestinians, and I very much hope that next week's reconstruction conference in Egypt will be able to discuss, among other things, in what way the Palestinian Authority can be involved in the reconstruction of Gaza.

UK-Pakistan Relations

8. **Mr. Paul Goodman** (Wycombe) (Con): What recent discussions he has had with representatives of the Government of Pakistan on UK-Pakistan relations. [257921]

The Minister of State, Foreign and Commonwealth Office (Bill Rammell): The Foreign Secretary is in regular contact with members of the Pakistani Government and spoke most recently with President Zardari on 9 February and with Foreign Minister Qureshi on 7 February. He discussed a wide range of common issues, including the Mumbai attacks, Afghanistan and counter-terrorism.

Mr. Goodman: We are, of course, aware that the Foreign Secretary recently raised Kashmir with the Government of India, and presume that he also did so with the Government of Pakistan. Is it the Government's view that a solution in Kashmir is integral to a wider solution in the region as a whole, and does the Minister agree that—in some way and at some time—the people of Kashmir must be involved in any discussions about what is, after all, their future?

Bill Rammell: The Foreign Secretary has made it clear that our position on Kashmir has not changed. The key priority at the moment is for the Government of Pakistan to act on Lashkar-e-Taiba. That is what we are arguing for both publicly and privately.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): Does the Minister agree that some of the sources of instability in Afghanistan lie in Pakistan, including activities on the north-west frontier and the recruiting and training of young Taliban in Pakistani madrassahs? Have those matters been broached with the Pakistan Government?

Bill Rammell: Yes, there are clearly issues that are of mutual interest between Afghanistan and Pakistan. The increasingly close relationship between the Governments of those two countries is a source of optimism, and we raise those issues with them regularly.

Ann Winterton (Congleton) (Con): Does the Minister agree that the stability of Pakistan is vital for any progress to be made in that region of the world? If I may pick up on the question put by the hon. Member for Hackney, North and Stoke Newington (Ms Abbott), what happens in Pakistan will impact directly on Afghanistan. What hope can the Minister give the House that his discussions with his opposite numbers are progressive, and will contribute to the peace and stability of the region?

Bill Rammell: It is absolutely our intention to ensure that we do everything that we can to make progress on these issues. It is not within our gift to make that happen, but we are certainly working to that end. Counter-terrorism is a key aspect of our relationship with Pakistan, which is one of our key allies. We will keep working on these issues with Pakistan, in both our interests and those of the whole international community.

Falkland Islands (Transport Links)

10. **Mr. Eric Illsley** (Barnsley, Central) (Lab): If he will take steps to improve transport links to the Falkland Islands; and if he will make a statement. [257923]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Gillian Merron): Negotiations between the FCO and the Ministry of Defence on new terms and conditions for improved civilian use of the south Atlantic air bridge are expected to be concluded shortly. The MOD has already provided a premium economy service, increased the frequency of the flights to twice a week, and given the Falkland Islands Government the number of aircraft seats they requested.

Mr. Illsley: Will my hon. Friend look again at the matter, together with colleagues from the MOD, to ensure that the child concession, which was removed from the air bridge policy, is reinstated so that people from the Falkland Islands can maintain their close links with this country?

Gillian Merron: I understand the point that my hon. Friend makes. It is probably worth saying that the MOD is charging on a full cost recovery basis, which is consistent with Treasury rules, as he will know. The Falkland Islands Government have the flexibility to take their own decisions about fares and discounts that they offer to their passengers. No doubt they will consider that matter further.

Topical Questions

T1. [257938] **Mr. Robert Flello** (Stoke-on-Trent, South) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): Today I met with Senator Mitchell to discuss prospects for renewed talks on the future of the middle east. Straight after questions I will travel to Cairo for talks with President Mubarak and Foreign Minister Ahmed Aboul-Gheit. In the aftermath of the Gaza war, peace and security for Israelis and Palestinians depends, as ever, on their ability to live side by side. It is now a top priority for the US Administration, and we will do everything in our power to support their efforts.

Mr. Flello: Will my right hon. Friend tell me what contribution the proposed eastern partnership might make to improving the security of our energy supply and, in the long run, to bringing down the cost of fuel for families and businesses in Britain?

The Minister for Europe (Caroline Flint): I thank my hon. Friend for raising that important issue. The proposed eastern partnership will engage countries, including Ukraine, which has been in the press most recently, in a strategic discussion about energy security and will help us to secure those dependable supplies. Although Britain does not get any of its energy supplies directly from the eastern partnership countries, insecurity impacts on market prices in the UK, which then has an impact on the prices for families and businesses. That is why it is so important that we engage and are seen to be positive in that engagement, unlike the Conservative party, which chooses not to engage constructively on the European Union.

Mr. William Hague (Richmond, Yorks) (Con): The Foreign Secretary has made a written statement today on the Binyam Mohamed case. I think that he will agree that the importance of the case is that this country must make it clear that we do not condone or connive in the torture of suspects. Does that not suggest that we should be as transparent as possible in all circumstances? Since the Government's adviser on terrorism laws, Lord Carlile, has said:

"There is a basis for the UK government to urge the American government that these matters which are of true public interest...should be made public in a way that does not damage...national security",

will the Foreign Secretary now reconsider his refusal even to ask the US Government for permission to publish the material that the High Court had to withhold?

David Miliband: Across the House and across the Government, we unreservedly condemn the use of torture. Significantly, any allegations are immediately investigated, as has happened in this case—

Andrew Mackinlay (Thurrock) (Lab): By whom?

David Miliband: By the Attorney-General, who is the independent Minister for justice and is the right person to assess whether there has been any criminal wrongdoing. The right hon. Member for Richmond, Yorks (Mr. Hague) is right to say that transparency is important. That is one reason why we argued so strongly that the US Government should give the relevant documents to Binyam Mohamed's legal team. It is because of those "strenuous efforts", in the words of the Court, that he has now been released from Guantanamo Bay.

In respect of the decision by the US on the release of the documents, it is not a question of our having permission to release the documents but a question of the Americans deciding whether they should release their own documents. We have made it absolutely clear to the US Administration, most recently in a visit by the senior legal adviser of the Foreign Office to Washington about 10 days ago, that we have absolutely no objection to the release of the documents. The Attorney-General of the US has said that the Americans will review all cases of confidentiality against their national security criteria, and that is right, but our position is absolutely clear. As I said in the House two and a half weeks ago, there is nothing in the contents of the documents that causes us to say that they should be kept secret.

Mr. Hague: The Foreign Secretary has progressed from saying three weeks ago that he would not go on a lobbying campaign with the US Government about this matter to having no objection to the release of the documents by the US. I am simply asking him to go one step further and to suggest to the US that that is what should be done. The view of the Government's adviser is that this material should be published and the view of the High Court was that nothing in the relevant paragraphs could be

"described as 'highly sensitive classified…intelligence'"

and that they should be published. The view of a senior Congressman has been that the secrecy would leave a

"cloud that would haunt both countries".

The US is in any case reviewing its assertion of state privilege in the courts in every case, as the Foreign Secretary has said, so would it not now be sensible to ask the US to change its approach to the case, to underline our joint commitment to dealing with allegations of torture and to avoid the charges of cover-up that are now flung about?

David Miliband: As I said earlier, far from suppressing documents, it was the action of the Government that got the documents to the defence counsel in this case. The new Administration in the US, in contrast to the previous Administration, have announced that they will review all cases where the confidentiality requirements have been used. A large number—about 240—of legal cases in the US are relevant. I think that it is right that we should make it clear that we have absolutely no objection to the release of those documents. There is nothing in the documents that we think should not be released. It has been discussed in Washington, rightly, and it is now for the US to go through each of the documents and decide whether to release them.

T2. [257939] **Mr. David Hamilton** (Midlothian) (Lab): Climate change is top of the agenda throughout the world. The next time that my right hon. Friend has discussions with China, could he ensure that clean coal technology is top of the agenda? There are more than 1 million miners in China. They are producing CO_2 emissions continuously. Would it be possible for him and his wee brother to have a discussion with their opposite numbers to ensure that we get a clean coal technology solution, which will be good for the world?

David Miliband: My right hon. Friend the Secretary of State for Energy and Climate Change—sometimes known by other names—will travel to China with my right hon. Friend the Secretary of State for Business, Enterprise and Regulatory Reform in April, precisely to take forward this issue. My hon. Friend will know that China is building between four and seven—estimates vary—new coal-fired power plants a week. If those coal-fired plants are not equipped with carbon capture and storage technology, the consequences for climate change and the environment of the planet are very grave indeed.

T3. [257940] **John Barrett** (Edinburgh, West) (LD): The Foreign Secretary may have seen the recent report from Amnesty International that details the use of white phosphorous artillery shells by the Israeli army against civilians in the recent offensive in Gaza. What action will he and the Government take as a result of those actions?

The Minister of State, Foreign and Commonwealth Office (Bill Rammell): It is still unclear exactly what took place and what weapons and munitions were used. We are assessing the situation. The current and recent activities of the Israeli defence force will be taken account of in any future arms export applications, and the Amnesty International report is a helpful contribution to the report that we are compiling.

T4. [257941] **Chris Ruane** (Vale of Clwyd) (Lab): The EU is perhaps the biggest trading bloc in the world; it has a population of approaching 500 million. Can the Minister assure the House that the EU is using that economic muscle to develop positive policies to help in the current economic climate?

Caroline Flint: My hon. Friend quite rightly draws attention to the EU's importance as a market. When more than half the investment into the United Kingdom comes from other EU countries and contributes to 10 per cent. of our work force, we all realise how important the EU is. Today, the EU must act to shape the global agenda, and that is why, ahead of the London summit on 2 April, it will be working across the member states not only to consider what more can be done to stabilise financial markets and to stimulate our economies, but to look to the future and how to create jobs, particularly green jobs, to ensure that our children and their children have a prosperous future.

David Davis (Haltemprice and Howden) (Con): The Foreign Secretary's statement today on Binyam Mohamed made it very plain that intelligence information about Mr. Mohamed given by the United States Government to the United Kingdom Government could not be passed on to a third party without the permission of the US Government. It now transpires that intelligence information about Mr. Mohamed was passed from the UK Government to the US Government and then passed on to the Moroccan Government. Was that done with or without the permission of the British Government?

David Miliband: The point that I made in my statement is not exactly as the right hon. Gentleman said. The point is not about the passing to a third party, although I will address that point; the point about the issue in the statement is that justice did not require the publication of those documents by an English court against the wishes of the American Government. That is a separate issue, and the issue at hand is whether the United States authorities should decide to publish in the open those documents for public consumption. As far as justice for Mr. Mohamed is concerned, they were got to his defence counsel. In respect of all questions in relation to the allegation that British questions were used against Mr. Mohamed or for Mr. Mohamed—even information used in formulating questions—those are precisely the matters that are being addressed by the Attorney-General at the moment. It is right that we wait for her inquiry into whether there has been criminal wrongdoing to be concluded, and then we can debate them at length.

Mr. David Winnick (Walsall, North) (Lab): Does my right hon. Friend accept that the House should know as quickly as possible whether the person who returned to the UK yesterday was tortured and, if so, whether it was with the knowledge and support of British officials? Indeed, if the latter were the case, it would be a disgrace and those responsible should be brought to justice. When will the Attorney-General report? I understand that this has been with her since last October.

David Miliband: I entirely share my hon. Friend's view that this country rightly has very high standards. We unreservedly condemn torture. We never collude or co-operate with torture, and where there are any allegations, we take them extremely seriously and ensure that they are independently investigated. The precise point about an independent investigation by the Attorney-General is that I do not tell her when to come to conclusions. It must be right that the Attorney General, with the Director of Public Prosecutions, should be able to conclude her inquiries. Of course, my hon. Friend the Member for Walsall, North (Mr. Winnick) is right: in general, everybody wants that to happen as soon as possible. However, it must be for the Attorney-General to set her own timetable.

T5. [257942] **Mr. Christopher Chope** (Christchurch) (Con): My Bill, the European Union (Audit of Benefits and Costs of UK Membership) Bill, is due for Second Reading this Friday. It is warmly supported by my party's Front Benchers, and by the Liberal Democrats. Why do the Government not support that essential tool of democracy and accountability?

Caroline Flint: I look forward to debating the hon. Gentleman's Bill, should we make progress on Friday. We are happy to debate the costs and benefits of European Union membership, but we do not see the need for the expense or bureaucracy of a commission that would do that. There is plenty of material—more than most people want in a lifetime—available on the costs and benefits of EU membership. Also, we should not see our EU membership only in terms of economic costs and benefits, important though they are; it is also about the security that the EU gives us, and the peace that it has provided for us over many years.

T8. [257945] **Ben Chapman** (Wirral, South) (Lab): Does the Secretary of State accept that a fair and just settlement in the middle east will require the involvement of all the surrounding Arab states, especially in relation to the benefits for Israel? What will he do, in his upcoming visit to Cairo, to advance the cause of the Arab peace initiative?

David Miliband: My hon. Friend makes a very important point; in the end, the Arab states are vital to giving security to Israel, and vital to supporting a future Palestinian state. As I said earlier, a regional solution must be pursued in the middle east—a so-called 23-state solution, not simply a two-state solution. Certainly, that is what the UK Government argue strongly, not just with Egyptian colleagues, whom I will meet soon, but across the region.

T6. [257943] **Norman Baker** (Lewes) (LD): The Government recently changed their long-held historical position on Tibet. They gave the Chinese authorities what they wanted in respect of Tibet, but appeared to secure no concessions in return. Will the Foreign Secretary and his team accept that it is important to make progress in that country? Chinese assurances are not sufficient; we need proper action, including proper access for the Red Cross and others to what is happening in a very difficult situation.

Bill Rammell: I say to the hon. Gentleman, who I know takes a real interest in the issue, that it is right that we press the Chinese authorities. The Prime Minister raised the issue of Tibet in a recent state visit. When I was in Beijing a couple of weeks ago, I had detailed discussions about Tibet with the lead negotiator on the Chinese side. I strongly argued that there needs to be a settlement that is negotiated with the representatives of the Dalai Lama. That is our position, and we will continue to argue it strongly.

T9. [257947] **Kerry McCarthy** (Bristol, East) (Lab): I have just returned from taking part in an excellent Commonwealth Parliamentary Association delegation to Zambia, in which Zambian parliamentarians made clear to me the importance of, and the value that they place on, their role as members of the Commonwealth. Will the Under-Secretary of State tell the House what attitude the British Government take towards the application of countries such as Angola and Rwanda to join the Commonwealth, and what progress is being made on that front?

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Gillian Merron): My hon. Friend is right about the Commonwealth. In its 60th year it is right that we celebrate its many achievements and look forward to the next 60 years and beyond. We are supportive of Rwanda's application. We are not aware of an application by Angola, but of course the Commonwealth is not a closed club, and we are keen to see applications where that will further support and strengthen the Commonwealth.

T7. [257946] **Mr. Henry Bellingham** (North-West Norfolk) (Con): Will the Secretary of State join me in paying tribute to the new Prime Minister of Zimbabwe, Morgan Tsvangirai, and will he waste no time in opening a dialogue with him? Does he not agree that it is an absolute disgrace that Mugabe continues to imprison Movement for Democratic Change activists, as well as imprisoning, and holding without trial, one of the MDC Cabinet appointees, Roy Bennett?

David Miliband: Yes, it is welcome that Morgan Tsvangirai is now the Prime Minister of Zimbabwe, but it is far from welcome that he does not yet have all the Executive powers that should go with that office. It is particularly galling that some aspects of the agreement that he signed have not been fulfilled, notably in respect of the distribution of portfolios between the parties to the agreement. The hon. Gentleman is also right to raise the case of Roy Bennett, the Deputy Agriculture Minister, and the charges that have been laid against him. We have been clear that we will not only continue our humanitarian aid to Zimbabwe, but stand ready to engage in a massive reconstruction effort, but that must be on the basis of clean politics, an end to violence and an economic approach that benefits the people of Zimbabwe, rather than the cronies of Robert Mugabe.

Freedom of Information Act 2000

3.35 pm

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): With permission, Mr. Speaker, I should like to make a statement on the use of the ministerial veto under section 53 of the Freedom of Information Act, in respect of minutes of two Cabinet meetings in March 2003 relating to Iraq.

I need first to set out some background. The Freedom of Information Act has profoundly changed the relationship between citizens, and their elected representatives and the media on the one hand, and the Government and public authorities on the other. It has, as intended, made the Executive far more open and accountable. The Act provides a regime for freedom of information which is one of the most open and rigorous in the world.

The Act was the subject of almost three years' intensive debate, by which the original scheme of the Bill was much improved and strengthened. As initially proposed, decisions of the Information Commissioner would in law have been heavily persuasive, but not binding on Ministers. This reflected the regimes in other countries, such as Canada. In the event, however, that scheme was replaced by a much tougher one.

There was, however, a key balancing measure written into the Act, and accepted by Parliament. This was to provide, in section 53, that in specific circumstances Ministers and certain others could override a decision of the commissioner or tribunal requiring the release of information, if they believed on reasonable grounds that the decision to withhold the information was in accordance with the requirements of the Act. At the time of the passage of the Bill, Ministers in both Houses provided reassurance about the use of this veto. It would not be commonplace. Undertakings were also given that, although section 53 required and requires a certificate by a single Cabinet Minister or Law Officer, any use of the veto would be subject to prior Cabinet consideration.

The Act came into force on 1 January 2005. From then until September 2008, in approximately 78,000 cases where the requested information was held by Government Departments, it has been released in full. Before the Act, some of it would not have been released for 30 years. Since 2006, the Information Commissioner has dealt with more than 1,500 cases involving Government Departments, and the Information Tribunal has dealt with more than 50 such cases. But no section 53 veto has been used to date.

In December 2006, the Cabinet Office received a freedom of information request for Cabinet minutes and records relating to the meetings that it held between 7 and 17 March 2003, where the Attorney-General's legal advice concerning military action against Iraq was considered and discussed. There were two such meetings, on 13 and 17 March. The Cabinet Office refused the request, citing the Act's exemptions for information relating to policy development and ministerial communications. In keeping with its statutory obligations, the Cabinet Office had considered the public interest in releasing the information, but found twice, on balance, that there was a greater public interest in withholding it.

The applicant duly exercised his right to ask the Information Commissioner to investigate the handling of his request. In February 2008 the commissioner reasoned, for the first time, that Cabinet minutes—these ones—should be released. The Cabinet Office appealed the commissioner's decision to the Information Tribunal.

On 27 January 2009, the tribunal published its decision. The tribunal was unanimous in deciding that the informal notes of the Cabinet meetings should be withheld. But, by a majority of two to one, it decided that the public interest balance fell in favour of release of the minutes. It therefore upheld the decision of the Information Commissioner ordering information to be disclosed, subject to some minor redactions.

Following that decision, and having taken the view of Cabinet, I have today issued a certificate under section 53 of the Act in an appropriate form and consistent with the Act, the effect of which is that these Cabinet minutes will not now be disclosed. The conclusion that I have reached rests on the assessment of the public interest in disclosure and non-disclosure. I have laid a copy of my certificate, and a detailed statement of the reasons for my decision, in the Libraries of both Houses. My decision was made in accordance with the Government's policy criteria, which are annexed to my statement of reasons. Copies of these documents have been sent to the requester and are available in the Vote Office.

To permit the commissioner's and the tribunal's view of the public interest to prevail would, in my judgment, risk serious damage to Cabinet government—an essential principle of British parliamentary democracy. That eventuality is not in the public interest. Cabinet is the pinnacle of the decision-making machinery of government. It is the forum in which debates on the issues of greatest significance and complexity are conducted. Whether the nation was to take military action was indisputably of the utmost seriousness. However, I disagree with the reasoning of the majority of the tribunal. In their decision, they refer to the "momentous" nature of the decision taken and to the public interest in understanding the approach to that decision and in the accountability of those who took the decision. They then say:

"In the view of the majority"—

of the tribunal—

"the questions and concerns that remain about the quite exceptional circumstances of the two relevant meetings create a very strong case in favour of the formal records being disclosed."

But in my judgment, that analysis is not correct. The convention of Cabinet confidentiality and the public interest in its maintenance are especially crucial when the issues at hand are of the greatest importance and sensitivity. Indeed, the minority view of the tribunal—that the minutes should be withheld—was formulated on this basis. It stated:

"The minority view seeks to reach the decision most likely to support continued confidence that Cabinets can explore difficult issues in full and in private".

It continued:

"publication would, in the minority view, be more likely than not to drive substantive collective discussion or airing of disagreement into informal channels and away from the record. This would over time damage the ability of historians and any inquiries, if constituted, to reconstruct and understand the process Cabinet followed in any particular instance. And it would not be conducive to good government."

[Mr. Jack Straw]

Responsibility for Cabinet decisions is with the Government as a whole, not with individual Ministers; that remains the first principle of the ministerial code. The conventions of Cabinet confidentiality and of collective responsibility do not exist as a convenience for Ministers. They are crucial to the accountability of the Executive to Parliament and to the people.

The concomitant of collective responsibility is that debate is conducted confidentially. Confidentiality serves to promote thorough decision making. Disclosure of the Cabinet minutes in this case jeopardises that space for thought and debate at precisely the point where it has its greatest utility. In short, the damage that disclosure of the minutes in this instance would do far outweighs any corresponding public interest in their disclosure.

What the minutes principally record is the deliberations of Cabinet in reaching its decisions. The actual decision that was made at the later Cabinet, on 17 March, was made public straight away, when I as Foreign Secretary conveyed it to the House in an oral statement within three hours of the Cabinet coming to that conclusion. In that statement, I recounted the recent history leading up to Cabinet's decision, and I brought to the House's attention the information that had that day been made available to the House, in order better to inform the following day's debate.

Despite the powers under the royal prerogative, we put the use of force to a debate on a substantive motion the next day. In opening that debate, our then Prime Minister, Tony Blair, spelt out in considerable detail the reasons for the Cabinet's decision. The debate ranged across the history of non-compliance of Saddam's regime, the negotiating history of the two UN resolutions in the run-up to military action, our discussions with allies, and much else besides. I ended that debate by fully setting out the factors that the Government and Parliament had considered and should bear in mind in voting on the substantive motion before them.

The Government subsequently released the Attorney-General's legal advice. Furthermore, on 25 May 2006 a full disclosure statement was published by the then Attorney-General which set out in considerable detail the considerations taken into account as he reached his opinion on the legality of military action.

A number of inquiries have been conducted. There was the Hutton inquiry into the death of David Kelly, and there was the Butler review of intelligence on weapons of mass destruction. Both those inquiries published detailed reports on aspects of the decision to take military action, and we have acted on their recommendations. There has been yet more scrutiny of the decision by Parliament itself, including by the Intelligence and Security Committee, which published its report on weapons of mass destruction, and both the Foreign Affairs Committee and the Defence Committee have investigated the matter on a number of occasions.

In summary, the decision to take military action has been examined with a fine-toothed comb; we have been held to account for it in this House and elsewhere. We have done much to meet the public interest in openness and accountability. But the duty to advance that interest further cannot supplant the public interest in maintaining the integrity of our system of government. The decision to exercise the veto has been subject to much thought, and it will doubtless—and rightly so—be the object of much scrutiny. I have not taken it lightly, but it is a necessary decision to protect the public interest in effective Cabinet government.

Shortly after he became Prime Minister, my right hon. Friend the Prime Minister established a high-level inquiry into the 30-year rule under the chairmanship of Mr. Paul Dacre of the *Daily Mail*. That report, published last month, proposed a reduction from 30 to 15 years of the time after which Cabinet minutes and other papers would automatically be released. I have already told the House that the Government favour a substantial reduction in the 30-year limit. In that context, the report also recommended that we consider protection under the Act for certain categories of information.

There is a balance to be struck between openness and maintaining aspects of our system of democratic government. This tension is recognised in the fundamental framework of the Freedom of Information Act—and that Act, and much else that we have done, stand testament to the far greater openness and accountability secured under this Government. I commend my statement to the House.

Mr. Dominic Grieve (Beaconsfield) (Con): I first thank the Secretary of State for giving me prior sight of his statement.

The Secretary of State's decision to use his powers of veto in this case classically illustrates what has been wrong with the Government's approach to freedom of information and good governance generally. The public have had their expectations about openness raised by Labour's spin and propaganda, only to be brought down to earth by the intrusion of the realities of government. Meanwhile, the inquiry that ought to take place into the origins of the Iraq war has been denied them.

May I first ask the Secretary of State whether there are any circumstances in which this decision of his might be further challenged in the courts?

One must have some sympathy for the Secretary of State. He was, after all, the architect of the Freedom of Information Act, which he is now trying to circumvent. As Foreign Secretary, he was a party to the decision to go to war. Indeed, he was the man who introduced the veto that he now intends to use. Does he recall the words at that time of the hon. Member for Stoke-on-Trent, Central (Mark Fisher), who said that that veto basically allowed the Home Secretary, as he then was,

"to put a razor through the whole bill"?

Does the Secretary of State appreciate how it will appear to the public for someone so closely involved in the key decisions to be now personally blocking the release of that information?

Is it not also the case that the Government's self-righteous tone of protecting the public interest is fatally undermined by their past behaviour in releasing information—such as the Conservative Cabinet documents on the exchange rate mechanism—when it suited them, for reasons of the most blatant political advantage?

We are talking about Cabinet minutes and issues of the utmost national interest. As the Secretary of State has told the House that any use of the veto is subject to prior Cabinet consideration and agreement, should it not in fact be for the Prime Minister to justify this decision to Parliament, instead of playing his all-too-usual Macavity role and vanishing at this deeply embarrassing moment?

The code of practice on access to Government information introduced by the Major Government specifically and deliberately excluded minutes of Cabinet and Cabinet Committees, for the very reasons that the Secretary of State sets out in the statement of reasons he placed in the Library, and which plainly extend to all Cabinet minutes in general. Given what the Secretary of State has resorted to today, would it not be sensible to reintroduce that rule? In view of the principles that he has enunciated on the need for confidentiality at the heart of government, why did he have to string the applicant along through an internal review, an appeal to the Information Commissioner and a counter-appeal to the Information Tribunal—all at considerable public and private expense—when it was plainly a foregone conclusion that the Government would block the release of the information anyway? When did the Secretary of State take the decision that he would exercise the veto? Will he tell the House today what this entire process has cost?

The Secretary of State seeks to extol the Government's good intentions by highlighting their changes to the 30-year rule. Why did the Prime Minister hold a review of the 30-year rule, if not to get the records available for public inspection more swiftly than is currently the case? Did he do so because he hoped that that review would conclude that the limit should be set so that the papers of the Conservative Government would be affected, while the background to the Prime Minister's own decisions as Chancellor would remain concealed?

We accept, however, that the Secretary of State's decision is the right one—*[Interruption.]* Yes, indeed. I am forced to disagree with the Information Commissioner when he says that such requests will have little impact because they will be rare. Quite the opposite. Because Ministers will not know in advance whether it will be deemed in the public interest to release their discussions, all discussions will be treated as though they could be released. It is clear from the Secretary of State's statement that he agrees that if that were the case, officials would feel unable to give impartial advice freely, and Ministers would feel unable to discuss matters candidly, which would lead to even more sofa government than we have already suffered from him and his colleagues. May I therefore ask the Secretary of State when this damascene conversion by him, the Prime Minister and his Cabinet colleagues to those high principles of collective responsibility first took place? With the spin and briefings still going on today, none of us have noticed it.

Finally, does the Secretary of State agree with Lord Butler of Brockwell, when he found that in the case of the Iraq war,

"wider collective discussion and consideration by the Cabinet"

was limited

"to the frequent but unscripted occasions when the Prime Minister, Foreign Secretary and Defence Secretary briefed the Cabinet orally",

that

"Excellent quality papers were written by officials, but these were not discussed in Cabinet or in Cabinet committee"

and that

"The absence of papers on the Cabinet agenda so that ministers could obtain briefings in advance from the Cabinet Office, their own departments or from the intelligence agencies plainly reduced their ability to prepare for such discussions"?

Do not those issues go to the heart of public disquiet over the way in which the Iraq war was initiated?

While we believe that it is right for Cabinet minutes to remain confidential for reasons of maintaining candour in government, that does not mean that the decision to go to war does not deserve scrutiny. The Secretary of State half concedes that point when he tries to gloss and explain that certain inquiries have already taken place. In the absence of the release of Cabinet minutes, is there not now an overwhelming case for an inquiry along the lines of that held into the Falklands war? When will the Government face up to their responsibilities in this regard, and stop hiding from their failures?

Mr. Straw: As the hon. and learned Gentleman blustered, I assumed that at some stage he would get to the point where he expressed agreement, not disagreement, with the issue of my certificate. Perhaps I should have said in my opening statement that we have been grateful for the bipartisan support we have had from senior and distinguished Conservatives, including Lord Hurd of Westwell, who gave evidence to the tribunal, Lord Heseltine and, quite separately, the right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind).

The hon. and learned Member for Beaconsfield (Mr. Grieve) tries to make play of the fact that I was the architect of the Freedom of Information Act, and said that I was now trying to circumvent it. No, I am not trying to circumvent it; I am trying to apply an essential component of it. The Government would never have agreed to the Act, and would have invited the House to vote against the Bill, had it not been for the inclusion of section 53. I see one of the hon. and learned Gentleman's colleagues on the Benches behind him nodding in assent at that.

The Act was intended to secure a better balance between openness and the protection of some information that is essential to the operation of good government and other matters, and it was intended that that tension should be reflected in the Act itself. This is not a simple matter, as the hon. and learned Gentleman knows, despite his desire—not all that successful—to have it both ways in his bluster. Section 53 is in place precisely to express that tension and to ensure that in certain circumstances, which are very clearly set out, it is possible for a particular Minister to exercise a veto in appropriate and specified cases.

The hon. and learned Gentleman asked why the Prime Minister is not giving this statement. It is a matter of the construction and drafting of all sorts of legislation that decisions of this kind are made by Secretaries of State or Law Officers, not by the Prime Minister. The hon. and learned Gentleman also asked why it was I who made the decision. I made it because it falls under my responsibilities, and I would have been accused of ducking it if I had not. It was also subject to deliberation in Cabinet. He asked me when I finally came to my decision. It was yesterday afternoon, after the final Cabinet discussion of the matter. He asked me what right of appeal there would be. There is no direct right of appeal prescribed in the Act, but it is perfectly possible that some interested party may attempt to secure a judicial review of the decision.

On the issue of an inquiry into aspects of the military action in Iraq and its consequences, as I said, there have already been at least four inquiries. I am well aware that

[Mr. Straw]

the Prime Minister is on record as saying that once the troops are home he will consider the case for a further inquiry, but, with respect to the hon. and learned Gentleman, that is not and cannot be germane to this decision. Any inquiry established would certainly not be under freedom of information rules.

Sir Stuart Bell (Middlesbrough) (Lab): Can the Secretary of State confirm that the Freedom of Information Act is not to be used like Wikipedia, which people can add to and subtract from, and to which any fraudster can introduce themselves and distort the record? Will he reconfirm what he has just said—that 78,000 documents have been released under the Act? Is it not in accordance with our constitution, going back to Bagehot and others, that we have Cabinet Government and an Executive accountable to this House? If this House is not holding the Executive to account, it is this House that fails, and it does not need any Freedom of Information Act to fulfil its duties.

Mr. Straw: I agree with my hon. Friend in both respects. The Freedom of Information Act is a package deal. The House would not have been able to have the first establishment of the right of direct access to information without there being some concomitant balancing measure such as section 53. I think that that the House will confirm that, as this is the first time that that section has been exercised in more than four years of the Act being in force, we have kept our word and ensured that its use is exceptional.

The figure of 78,000 that I referred to was the number of requests, so that will cover many more than 78,000 documents. All those requests have been accepted by Government Departments without demur or argument. In the other 1,500 cases that have been before the commissioner, and the 50 before the tribunal, the decision has been accepted in each case as final, however much the Government might have objected to it in the first place. That is the position, and I am proud that we have ensured that freedom of information is subject to a far more open regime than existed under the previous Administration.

David Howarth (Cambridge) (LD): I also thank the Secretary of State for an advance copy of his statement. I am fascinated that the coalition that supported the Iraq war seems still to exist in the House. The decision to go to war in Iraq was momentous, controversial and disastrous. It was especially disastrous for the rule of international law and for this country's reputation as an upholder of international law. It marks the point when the Government decisively endorsed the destructive doctrines of military neo-conservatism.

The Secretary of State says that various inquiries have been held into the Iraq war, but, as the current Foreign Secretary conceded last March, they were all narrow and specific. There has never been a full, comprehensive inquiry into the decision to go to war in Iraq. Will the Secretary of State give his full support for an inquiry, not as and when the Prime Minister decides, but now? We need to learn the lessons of that time as quickly as possible. That is why the Cabinet minutes should be released much earlier than normal.

Does the Secretary of State accept that the much greater threat to Cabinet government is not the release of the minutes, but any repeat of the collapse of Cabinet decision making in the Government of Mr. Blair? The argument against disclosure is that it might undermine full and frank discussion in Cabinet and mean that discussion will take place informally, outside the meeting. However, is not that precisely what happened under Mr. Blair, with the rise of sofa government? At least the prospect of disclosure in exceptional circumstances—the tribunal made it clear that it is not a matter of disclosing Cabinet minutes all the time, only in exceptional circumstances—might persuade future Cabinets to remember that Cabinet discussion should matter.

Am I right that Cabinet minutes do not generally give the names of the speakers, apart from that of the speaker who introduces the discussion? We are not considering the release of the Cabinet Secretary's notebooks. Am I also right that it is a case not of revealing who agreed and who dissented—though, in this instance, we know that from the memoirs of the dissenters—but only of knowing whether discussion and challenge of any sort took place? That is a matter of great public importance, which goes to the heart of accountability.

The Secretary of State says that he has a good case on its merits. Why, therefore, has he chosen to issue an order—the first of its kind—rather than appealing to the High Court in the ordinary way? Why is he silencing opposition to his position by fiat instead of trying to persuade an objective court of its strength? Does not that show that, in reality, even he suspects that his position is weak, and that the decision has more to do with preventing embarrassment than protecting the system of government?

Mr. Straw: Well, certainly not the latter. There have been plenty of occasions to discuss the nature of the decision to go to war. I profoundly disagree with the hon. Gentleman's description of the legal basis for the war and I have—and am happy to do so again in future—argued that the then Attorney-General, Peter Goldsmith, was entirely correct to advise that there was a lawful basis for the decision to go to war. Anybody who had months of intensive negotiation, as I had, about the line-by-line, word-by-word structure of what became resolution 1441 would know its legislative history and why we were justified in making the decision within international law.

The Butler inquiry was extensive and, yes, it criticised some aspects of the way in which the Government had operated. I have never been a fan of so-called sofa government, since the hon. Gentleman asks. What is more, the Government led by Tony Blair and now by my right hon. Friend the Prime Minister accepted and implemented the inquiry's recommendations. However, that is not an argument for releasing the minutes for when the Cabinet was operating effectively; when it was, notwithstanding the criticisms, the final arbiter of the decision to take military action, and when it had discussed military action in not one or two, but, from recollection, 20 meetings.

What Cabinet minutes do is record the details of the deliberations, normally without attribution to individual Ministers, but with more attribution than perhaps the hon. Gentleman believes. In any event, my judgment—and I think that this would be the judgment of anybody who

had served in a Cabinet—is that the degree of detail, which is properly and essentially given in Cabinet minutes, is such that if those minutes were published, not least in respect of very important issues and discussions, they would undermine, in the manner that I have described, the whole principle and basis of collective responsibility. As I have said, that is not a convenience for Ministers, but is essential for the accountability of Ministers to the House.

The last point that the hon. Gentleman raised was about why we had not chosen to put in an appeal under what I think is section 56 of the 2000 Act—no, section 59. The answer is this: an appeal to the High Court would arise on a point of law. There is no suggestion whatever in the structure of the Act that one should wait for an appeal to the High Court under section 59 before exercising a veto, effectively, under section 53. Under section 53, the accountable person is essentially substituting his or her judgment for the judgment made by the commissioner or the tribunal.

Dr. Tony Wright (Cannock Chase) (Lab): May I say to my right hon. Friend that it must be a source of considerable regret that the veto has been used for the very first time by the Government in this case? As it happens, I agree with him on the principle—that is, on the importance of the confidentiality of Cabinet proceedings. What I do not agree with him on is the application of that principle in the current case. What the case seems to turn on is not the content of Cabinet proceedings, but their conduct.

The point of the 2000 Act was to set up an elaborate system to get an external and independent determination of where the public interest lies, through commissioner, tribunal and court—it was not to be decided by Ministers, but independently—and they have decided that there is a public interest, in this exceptional case, in knowing about the conduct of Cabinet business during that decisive period when we went to war. I would like to know from my right hon. Friend why it is appropriate in this case to substitute ministerial judgment for that external judgment. Will the effect not simply be to confirm people in the belief that there is something in that period that needs to be hidden?

Mr. Straw: My hon. Friend took a very close interest in the debates on the Freedom of Information Bill as it was, as he and I will recall with some affection. Indeed, it was partly thanks to his efforts that the Bill as proposed by me originally was changed and strengthened. However, he will also recall that on Report in the Commons—a very long stage—he identified what he regarded as three ingredients for what he described as a compromise veto: first, there should be a collective Cabinet decision in respect of the veto; secondly, the scope should be narrower; and thirdly, such a veto should not apply to local authorities. We have effectively complied with all three of his conditions.

If, in the abstract, there was to be a provision for a veto, there was bound to be an occasion on which it would be used. It was put into the 2000 Act for a purpose. It has, in fact, not been used before, but it was almost inevitable that it would be used in respect of an issue that appeared to be controversial. The Government have bent over backwards, even when, in other circumstances, they believe that the commissioner or the tribunal has come to decisions that are inappropriate, to ensure full compliance with those decisions, because we are very committed to the spirit as well as to the letter of the Act. However, there was bound to be such an occasion, and in my judgment it was exactly this kind of occasion that the House and my hon. Friend had in mind when we agreed section 53.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Given the strength of the tribunal's argument that this is a unique case setting no precedents, is it not particularly unconvincing for the right hon. Gentleman to argue that if the minutes were released, it would allow Ministers to demonstrate their attachment to any given policy in general, thereby absolving themselves from responsibility for decisions that they have agreed to stand by? Has the Justice Secretary not noticed that he is living in a world, and indeed a Government, where Ministers find all sorts of other ways of doing that, including on this issue?

Mr. Straw: The tribunal was far less "strong"—to use the right hon. Gentleman's adjective—than he implied, as it was split 2:1. I urge him to read the minority as well as the majority judgment. Secondly, at no stage that I can recall did the tribunal say that this decision and these circumstances were unique, although it did say that they were of a very unusual nature. It said that the risk of setting a precedent for general application would be reduced, but it went on to say:

> "This is not to say that it is only in such an extreme case as the present that disclosure should be ordered."

So, it was far from saying in practice that the case was unique.

Alan Simpson (Nottingham, South) (Lab): Surely the tribunal was right to recognise that there is no more momentous a decision made by a Parliament than to take its country into a war of choice. That is what makes this issue so specific and unique. The Justice Secretary and all Members will remember that at that time, the then Prime Minister, Tony Blair, frequently told the House that if we only knew what he privately knew, we would understand that the threat was real, that the war was necessary and the action was legal. We had to accept as ordinary Members that we were not privy to the information that was available at a Cabinet level through private security briefings. Cannot the Justice Secretary see that exercising the veto at this point will send out precisely the opposite message that he has tried to convey to the House and that the public will believe that in refusing to clarify whether the Cabinet were among the deceivers or the deceived, nothing is being protected other than their own interests? As such, the integrity of the House is being damaged.

Mr. Speaker: Order. I have to consider other Back Benchers and if questions are too long, it is unfair to others.

Mr. Straw: I know that my hon. Friend disagrees—and he disagreed at the time—with the decision, but it was made in good faith and communicated immediately to the House with extensive explanation as to why the Cabinet had reached it. Insofar as the intelligence aspects of the war are concerned, they were thoroughly examined by the Butler inquiry. I come back to the point that I

[Mr. Straw]

have made this decision following discussion and deliberation in Cabinet in order to protect an essential component of our constitution.

Sir Peter Tapsell (Louth and Horncastle) (Con): I was one who opposed the invasion of Iraq and I put it to the right hon. Gentleman, who was Foreign Secretary before the invasion, that it would be illegal under international law to invade without a second resolution from the United Nations. But I have never been an enthusiast for the Freedom of Information Act, largely for reasons of the working of Cabinet government and collective responsibility. The extraordinary thing about this particular case is that part of the then Attorney-General's advice was made public and it has been discussed—indeed, the right hon. Gentleman actually gave some indication of what was contained in it. However, the damaging aspect of this case is that the Attorney-General of the day changed his advice between the first of those Cabinet meetings and the second and he did so under political pressure. If he did that, it was utterly disgraceful.

Mr. Straw: The Attorney-General has explained how he came to that decision. His advice and his further explanation have already been available for two years. That is a further indication of the openness with which we have approached this issue.

Mr. Gordon Prentice (Pendle) (Lab): We need these minutes because Butler told us that the Cabinet was, in effect, dysfunctional. It did not get the papers that had been prepared by the Departments and Cabinet members did not have full knowledge of what they were being asked to decide. I ask my friend this: what is the point of having another inquiry on Iraq, as promised by the Prime Minister when our troops come home, if that inquiry does not have full access to all the Cabinet minutes and cannot take evidence on oath?

Mr. Straw: Were there to be an inquiry—I have already referred to the comments made in the House by my right hon. Friend the Prime Minister—it is almost certain that such an inquiry would indeed have access to all relevant documents, including Cabinet minutes, just as the Butler inquiry did, but that is a very different matter from whether those documents should be disclosed under the Freedom of Information Act—very different indeed.

Mr. John Greenway (Ryedale) (Con): The Justice Secretary will recall that I had the extreme pleasure of dealing with the Bill on behalf of the Opposition. I well recall that we warned that this eventuality might arise. My hon. and learned Friend the Member for Beaconsfield (Mr. Grieve), who sits on the Front Bench, made the point that Labour Back Benchers were most critical of that aspect of the Bill.

Putting that to one side, I, along with my hon. and learned Friend, agree that the Justice Secretary has made the right judgment, but the problem is with the legislation itself. Can I not encourage him to take advantage of the consensus that clearly exists between him and the major opposition party to put the matter right? I also reinforce the argument that the way to get at that information is through a full inquiry into the reasons to go to war in Iraq, although we must preserve the opportunity for deliberations in Cabinet to remain secret if they are to be frank and candid.

Mr. Straw: I am very grateful to the hon. Gentleman for what he has said. He has the benefit of being correct and also consistent about this for more than 10 years. So far as an opportunity to look at the Act is concerned, recommendation 8.8 of the Dacre review said, as I indicated in my statement, that if the minimum period for the release of documents generally was reduced, as he recommended, from 30 years to 15, but even if it came down to, say 20, there would need to be consideration of changes to the Freedom of Information Act provision in this respect. We are actively considering that. I am happy to do it in conjunction and co-operation with the Opposition.

Andrew Mackinlay (Thurrock) (Lab): Has the Justice Secretary looked behind him to see that there are only two office holders—a Parliamentary Private Secretary and the Church Commissioner—who support him? Not a single one of his hon. Friends is here endorsing him today. Could it be that they are ashamed and embarrassed by this announcement? Will he not reflect on the fact, which really is breathtaking, that he, who clearly was one of the people who piloted this policy and persuaded us—I remember him, as it is photographed on my mind, promising that we would get the second UN resolution—should also decide that those documents should not be available? It is appalling.

It is also a bad day for Parliament when we get synthetic anger from the Opposition, who are cosying up—the Privy Council club closing down debate and discussion on things that must be revealed.

I bear the scars of having trusted the Prime Minister on this matter and I shall take to the grave the fact that I regret having listened to the porky pies and the stories of the Intelligence and Security Committee and of the Prime Minister. I shall regret it to the day I die. I should never, ever have trusted them.

Mr. Straw *rose—*

Andrew Mackinlay: And I never will again!

Mr. Straw: I understand my hon. Friend's concern, but on the issue of whether it was correct for me to be the person who issued the certificate, I say to him that it is inevitable that, if the section 53 power is to be used in normal circumstances, a Minister may well end up in the position that I am in as the accountable Minister, having been party to a decision some years before. Of course I thought about that, but I was faced with a situation whereby if I had decided to recuse myself, although I do not think that there is an inherent conflict of interest, I would have been accused—no doubt by the hon. and learned Member for Beaconsfield (Mr. Grieve)—of dodging my responsibilities, so I was unwilling to do that.

Let me also say to my hon. Friend—through you, Mr. Speaker—that the decision, though it is mine, has been made after very careful discussion by the Cabinet as a whole.

Mr. Edward Leigh (Gainsborough) (Con): Is not the Secretary of State tilting at false windmills? He knows perfectly well that no sensible person wants to reveal all Cabinet discussions and no sensible person wants to curtail honest discussion in Cabinet, but does he not agree with the commissioner and the tribunal that this is a special case? Surely the people have a legal right to know the legal basis of a war in which up to 600,000 people have died. This whole thing stinks.

We are not trying to curtail discussion. What we accuse the Government of is the absence of any proper discussion of the Attorney-General's statement and advice. We want to have answers now, and so do the public.

Mr. Straw: That is the hon. Gentleman's opinion, and it was also—although slightly more carefully put—the opinion of the majority of the tribunal. However, if the hon. Gentleman refers to paragraph 88 of the tribunal's decision document, he will see that the minority expressed what was essentially the view that I have taken: that

"Exceptional cases may create an exceptional need for confidence in Cabinet confidentiality to be strong."

Essentially, the hon. Gentleman is arguing that the more important the issue, the less significant should be Cabinet confidentiality. I do not accept that argument.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): When this provision was passed during a highly contentious debate on the Freedom of Information Bill in Committee on the Floor of the House, it was described by the then Home Secretary—the present Lord High Panjandrum—as "Executive override". We are now seeing the very heart of the defeat of what was that Bill. This is an exercise by the Executive to exclude full and proper debate on matters that go to the very heart of the public interest.

The Secretary of State cited the second paragraph of "Reasons for Decision" in stating that this was an exceptional case. He then invoked a minority decision as justification for his action. The fact is that this "Executive override" defeats the very purpose of an informed public opinion that can make a judgment, in the public interest, on the actions of those who are given the trust of this people to govern this country.

Mr. Straw: I do not accept what the hon. Gentleman has said for one moment. Along with my hon. Friend the Member for Cannock Chase (Dr. Wright), he was very active in the debates in Committee and on Report nearly 10 years ago, and he should claim some credit for the final position of the Act. He will surely acknowledge, however, that an essential and fundamental component of that Act was a powerful commissioner and a powerful tribunal but also—yes, for use in exceptional cases—a right, under section 53, for the Secretary of State. If he looks at the report of what I said then, he will see that I said that we would not use the provision very often. Well, we certainly have not done so.

Mr. Paul Keetch (Hereford) (LD): The Secretary of State has effectively said today that he is using his exceptional section 53 power to protect elected politicians who attended a Cabinet meeting. Can he confirm that he would not be able to use section 53 in respect of the release of correspondence between the then Chief of the Defence Staff and the Prime Minister, also about the legality of the war? The Chief of the Defence Staff reportedly wrote to the Prime Minister of the day seeking his assurance that British troops would not be hauled before a tribunal for war crimes if the war went ahead.

Mr. Straw: I hope that the hon. Gentleman will forgive me. I am not going to give legal advice across the Chamber about the application of section 53. It stands there, and he can look at it.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I remind the Secretary of State that I was one of those who voted against war in Iraq? Indeed, I drafted a motion with the aim of securing a full inquiry. Unlike the Liberal Democratic party, Lord Smith and I were responsible for drafting the anti-war motion that Mr. Speaker selected.

That said, however, I think that the right hon. Gentleman is wholly right. I do not believe that Cabinet documents that reflect Cabinet discussion can be or should be disclosed. The right hon. Gentleman is right in that respect. Where he is wrong is in withholding an early and full inquiry into the war. We are entitled to that. We need to know what happened in the lead-up to the war, we need to know why it was so badly handled, and we need to know the full extent of the legal advice. All that will come out in an inquiry, but the right hon. Gentleman is right on the narrow point: Cabinet documents should not be disclosed.

Mr. Straw: I am very grateful to the right hon. and learned Gentleman, who took a different view from me in respect of the military action, for what he has said. As the House will understand, this is not the occasion for making decisions about an inquiry into aspects of the military action. My right hon. Friend the Prime Minister said in this House on 18 December last year:

"I have always said that this"—

an inquiry—

"is a matter that we will consider once our troops have come home. We are not in that position at present, so it is not right to open the question now. That is the course of action that the Foreign Secretary, I and others have stated to the House on many occasions." —[*Official Report*, 18 December 2008; Vol. 485, c. 1239.]

Angus Robertson (Moray) (SNP): This secrecy has absolutely nothing to do with the public interest and everything to do with the profound embarrassment of the Labour Government, which is why they are suppressing information about going to war. How ironic it is that we have a Justice Secretary making this announcement who only a few short years ago was telling us it was essential to go to war because of weapons of mass destruction when there were none. How can this culture of secrecy, and the delay of an independent inquiry, possibly restore the trust of the public?

Mr. Straw: The issue of the intelligence failure has already been very well charted, including by the Butler inquiry, which had full access to Cabinet and many other documents.

Sammy Wilson (East Antrim) (DUP): I am not a supporter of the Freedom of Information Act as currently constituted, although I do not think we should be surprised if there is a right of veto and if it is used.

[Sammy Wilson]

However, given that the then Prime Minister disclosed the thinking in the Cabinet when the decision was made, given that the legal advice was made public, and given that four inquiries were serviced with information, what is the logic behind not taking the final step of revealing the discussions in the Cabinet, if not to hide the Government's embarrassment on this issue? Does the Secretary of State not accept that if the reasons he has given to the House today are to be consistent, the logical position would be simply to have no Cabinet papers revealed?

Mr. Straw: I do not accept the hon. Gentleman's conclusion, and Cabinet documents are routinely released after 30 years, and we are committed to reducing the period following the recommendations of the Dacre report. This is nothing whatever to do with embarrassment, but it is to do with the distinction I drew in my statement between the decisions of Cabinet and the deliberations behind those decisions. In this case, the decision of Cabinet could not have been communicated to this House more quickly; as it happens, it fell to me to make a statement within two hours of the Cabinet coming to its decision on 17 March, and to explain the factors that led the Cabinet to that decision. That is very different from minutes recording the nature of the deliberations.

Mr. Ben Wallace (Lancaster and Wyre) (Con): Is it not ironic that a Government who have for so long made a virtue of taking Cabinet decisions away from Cabinet with spin doctors in tow and undermining Cabinet responsibility have dared to come to this House today to try and uphold the sanctity of Cabinet discussions? If the principle of preserving the sanctity of Cabinet discussions is so important, which I agree with, why did the Secretary of State not exempt it entirely from the Freedom of Information Bill when it went through the House, and why is it that 99 per cent. of the time he is happy for officials and the judiciary to make decisions on freedom of information requests, but on this one occasion he has chosen to use his veto?

Mr. Straw: I have already explained why, in the unusual circumstances of this case, I have decided that a section 53 certificate is appropriate. Notwithstanding all the bluster from those on the Opposition Benches, it seems to be a mechanism that has been supported in all parts of the House. As for the nature of Cabinet government, the hon. Gentleman has a very short memory. As it happens, in my 12 years of experience, Cabinet government has survived and is thriving. If the hon. Gentleman wants to find a Government where Cabinet government was rather absent, he may like to look at the history of the Thatcher Government and the role of Sir Bernard Ingham.

Several hon. Members *rose—*

Mr. Speaker: Order. We must move on.

Points of Order

4.29 pm

Mark Pritchard (The Wrekin) (Con): On a point of order, Mr. Speaker. You will know the rules concerning the reporting of contingency liabilities: no contingent is allowed to proceed without examination if a Member of this House formally objects. Given that the Ministry of Defence suggests in a departmental minute dated 17 February that it is looking to increase the initial contingent liability on the defence training review project from £9.5 million to a staggering £40 million, without any ministerial statement, may I ask that it be put on the record that I am formally objecting to this MOD minute and new contingent liability?

Mr. Speaker: The hon. Gentleman has put the matter on the record, and I shall leave it at that.

Andrew Mackinlay (Thurrock) (Lab): Further to that point of order, Mr. Speaker. I, too, have discovered that there are just two copies in existence of a Ministry of Defence departmental minute dated 17 February relating to a contingent liability of £250,000 for which there is no specific statutory authority. The minute states:

"If, during the period of fourteen Parliamentary sitting days beginning on the date on which this Minute was laid before Parliament, a Member signifies an objection by giving notice of a Parliamentary Question or by otherwise raising the matter in Parliament, final approval to proceed with incurring the liability will be withheld".

I am raising this matter now. This sort of thing is happening too often and only two documents are being produced—it is sneaky and it has to stop.

Mr. Speaker: The hon. Gentleman has put the matter on the record and, as I said previously, I shall leave it at that.

Airport Expansion (Parliamentary Approval)

Motion for leave to introduce a Bill (Standing Order No. 23)

4.31 pm

Susan Kramer (Richmond Park) (LD): I beg to move,

That leave be given to bring in a Bill to amend the Planning Act 2008 to require parliamentary approval for proposals for the building of new major airports and additional runways at existing major airports; and for connected purposes.

The purpose of the Bill is to allow this House, through an amendment to the Planning Act 2008, a vote—the final say—on any new major airport in England or any new runway at a major airport in England. There are three characteristics to this Bill: it is motivated by concern about climate change; it is motivated by concern about the democratic deficit and for the rights of this House, as balanced against the authority of the Executive; and it is genuinely cross-party.

I just wish to mention the timing. My introducing this ten-minute Bill has partly been triggered by proposals for a third runway at Heathrow and the Government's decision not to allow a full debate in Government time with a vote that will matter so that this House can exercise its genuine opinion.

However, the Bill is about far more than that. Hon. Members will know that an additional runway is proposed for Stansted airport—that issue is being addressed in the High Court today. The constraints on an additional runway at Gatwick expire in 2019, and Hochtief, one of a number of bidders for Gatwick airport, which is up for sale, has expressed its interest—other bidders probably have, too—in an additional runway at Gatwick. The Mayor of London has proposed a new estuary airport which, from the current discussion, would involve four additional runways, in addition to Heathrow, and the potential for expansion to six runways—those would be operated 24 hours a day. In addition, a number of regional airports up and down the country have proposed an expansion of their capacity—the airports at Manchester, Bristol, Bournemouth and Birmingham all have various plans to add various amounts of capacity.

When Heathrow was debated on 28 January, the Secretary of State for Energy and Climate Change told us that it was an issue about "half" a runway. I suggest that he was being disingenuous, because this is a far broader issue. We are facing one of the biggest expansion plans for aviation capacity ever considered in this country, and we are doing so exactly when climate change is supposed to be somewhere near to the top, or at the top, of our agenda.

May I say a word or two about climate change? This House is overwhelmingly convinced of the importance of climate change as an issue—there may be one or two hold-outs, but in every region, and across every party, this is a major issue of concern. The House has also accepted that we have only an extremely limited time in which to act. Virtually every report that we receive—whether it is on the disappearance of Arctic sea ice, the rate of melting of inland ice in Greenland or the quantity of greenhouse gases emitted—suggests that the past scenarios have woefully understated the problem and that the urgency is far greater than we thought.

[Susan Kramer]

As for the consequences of climate change, we have seen a little of the impact of extreme weather conditions in the UK and the rest of the developed world, but we know that the impact on Africa and the developing world will be far more extreme. The potential for conflict across the globe grows, as climate change leads to issues of disappearance and allocation of resources.

The House has accepted that aviation is a significant contributor to climate change. At the moment, some 13 per cent. of the UK's contribution to climate change emissions comes from aviation, including some 6 per cent. of the UK's CO_2 emissions. We know that that figure will rise to 25 per cent. by 2038 unless we drastically change the direction of policy. Given the role that aviation plays in climate change, are we really saying that we will never again allow Members of Parliament to have a vote on such a significant issue? In effect, that is where Government legislation has left us.

We talk about the democratic deficit, but the Government say, "Don't worry. We will require that aviation brings CO_2 emissions back to 2005 levels by 2050." But the question is how that will be achieved. The technologies do not exist and the science is not in place, never mind the investment. The Government have also said that aviation is a special case. The Secretary of State for Energy and Climate Change has said:

"We must all accept the principle that aviation will not bear as big a burden as other sectors in the economy."—[*Official Report*, 28 January 2009; Vol. 487, c. 404.]

Must we really accept that without knowing the impact on other industries, on our regions, and on jobs in our constituencies? Indeed, must we accept that without a vote? On an issue that is crucial to the future of our country and our planet, and when every strategy is untried and uncertain, what are we doing giving up our right, and the right of this House, to decide?

This is a genuinely cross-party Bill. In fact, it is a Back Benchers' Bill. It has three Labour sponsors, three Conservative sponsors, a Plaid Cymru sponsor and four Liberal Democrat sponsors. If I were able to add more sponsors, the list would continue to reflect the make-up of this House very directly.

I carefully read the speeches made on 28 January in the debate on Heathrow introduced by the Conservatives. Fairly or unfairly, some Labour Members could not bring themselves to vote for an Opposition motion. This Bill is not an Opposition motion, so that inhibition disappears. Some Labour Members thought that the 28 January motion was not clear enough, even though it was based on the early-day motion tabled by the hon. Member for Selby (Mr. Grogan). The hon. Member for Islington, South and Finsbury (Emily Thornberry) said:

"I will go home because there is no motion for Members of Parliament like me who want to halt the expansion of aviation".—[*Official Report*, 28 January 2009; Vol. 487, c. 388.]

That does not apply to this Bill. Indeed, I suspect that Members who favour airport expansion but care about the rights of this House can see a way to support this Bill, because it is about the democratic deficit as much as it is about climate change and aviation.

There are times when we have to delegate our responsibilities, but when we are facing the biggest challenge of our lifetime, when our knowledge is so uncertain, and when the cost of a wrong decision is so high, we cannot say, "Oh, the Climate Change Committee will decide." We cannot say, "The Infrastructure Planning Commission will decide." We cannot even say that the Government should decide, unchallenged and unchallengeable by any vote. Our constituents expect us to shoulder crucial responsibilities, and on that basis, I ask hon. Members to support this Bill.

4.39 pm

Mr. David Wilshire (Spelthorne) (Con): Like the majority of my constituents who live along the boundary fence at Heathrow, and like my local borough council, I support the building of another runway at Heathrow. However, as you will rightly remind me if I carry on in this vein, Madam Deputy Speaker, this is not yet another debate about Heathrow, so I shall avoid that subject for the moment; there will be plenty more opportunities.

I oppose the Bill for four reasons. First, I want to ask people to consider whether it is really necessary. For heaven's sake, we have already had two debates and two votes recently on the questions of aviation and building new runways. How many more do we want?

The second reason why I ask the House not to support the Bill is that it refers only to airports. I would go along with the hon. Member for Richmond Park (Susan Kramer) in that I, too, think that successive Governments have undermined the power of Parliament and I believe that it is right and proper for us to debate whether Parliament should take back some of its power. The time has come for that debate. However, that is a general matter, which we should discuss in the overall pattern of things rather than simply picking on airports. Do I really need to remind the House that going after special issues and using them to make general law results in a dog's breakfast? The Dangerous Dogs Act 1991 proves the point only too well—to go after one subject and end up with a general law does damage. I would use that argument about why it is wrong simply to pick on airports, even though I support the principle of more power for Parliament.

The third reason why I invite people not to support the Bill is that, as the motion is worded, it is about major airports and the extension of runways at major airports. It states that we have to have a vote if the Government want to build or to expand a major airport. Why pick on major airports? If more flying and more runways are wrong, surely we should include all airports? If we leave out minor airports, the principle of the Bill is undermined. Let us just suppose that instead of having a debate about a third runway at Heathrow, which is undeniably a major airport, we suddenly had a debate about a second runway at Northolt, which is a minor airport and would not be covered by the Bill? Another runway at Northolt would in fact be a third runway at Heathrow, so the Bill as it stands is not sensible.

The fourth reason why I think that the House should not contemplate such a Bill is that we should reflect, just for a moment, on the consequences should the Bill become an Act. If we introduced yet another debate, yet another vote and yet another procedure into the system, we would simply have even more delay in our planning process. It would make it even harder for British airports to respond to foreign competition, and there is enough

of that at the moment. We are already suffering from foreign airports' taking business away from us. That is dangerous.

The second consequence would be that that delay would fatally undermine the fact that the United Kingdom has Europe's No. 1 hub airport at Heathrow. We would damage Heathrow beyond repair if we allowed that to happen. If that were to happen, the next consequence would be serious damage to the national economy. I doubt that anybody in the House wants to vote for a Bill that would make matters worse for the national economy. Over and above those consequences—I refer to the people who sent me to this House—would be massive unemployment in my constituency. I was not sent here to support that or to vote for it.

The hon. Lady spoke about global warming and climate change. If the Bill became an Act, it would do nothing to help the local environment. All it would do is divert flying to some other airport somewhere else. We would achieve nothing except shooting ourselves in the foot as far as the economy is concerned.

As I have said, I support the principle of more power for Parliament, but the Bill is not the way to do it. All the Bill would do, if it became an Act, is deepen and lengthen the economic crisis that is facing this country and cause even more financial suffering for my constituents and everyone who lives around Heathrow airport.

Question put (Standing Order No. 23).

The House divided: Ayes 247, Noes 203.

Division No. 38] **[4.45 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Barker, Gregory
Baron, Mr. John
Barrett, John
Bayley, Hugh
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burgon, Colin
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Challen, Colin
Clappison, Mr. James
Clark, Greg
Clark, Ms Katy
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cousins, Jim
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davis, rh David
Djanogly, Mr. Jonathan
Dorries, Nadine
Drew, Mr. David
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Etherington, Bill
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Flynn, Paul
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Grogan, Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hoey, Kate
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Mr. David
Jones, Lynne
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Kramer, Susan
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Linton, Martin
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Mackinlay, Andrew
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mason, John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McDonnell, John
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Osborne, Mr. George
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Salter, Martin
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Sharma, Mr. Virendra
Shepherd, Mr. Richard
Short, rh Clare
Simmonds, Mark
Simpson, Alan
Simpson, Mr. Keith
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Syms, Mr. Robert

Tapsell, Sir Peter
Taylor, David
Taylor, Matthew
Teather, Sarah
Timpson, Mr. Edward
Truswell, Mr. Paul
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Vis, Dr. Rudi
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Sir Nicholas
Wishart, Pete
Wood, Mike
Wright, Jeremy
Young, rh Sir George

Tellers for the Ayes:
Jeremy Corbyn and Richard Younger-Ross

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Janet
Armstrong, rh Hilary
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Bell, Sir Stuart
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burgon, Colin
Butler, Ms Dawn
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Chapman, Ben
Clapham, Mr. Michael
Clark, Paul
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Cummings, John
Cunningham, Tony
Davies, Philip
Davies, Mr. Quentin
Devine, Mr. Jim
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Dowd, Jim
Eagle, Angela
Eagle, Maria
Elman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Fisher, Mark
Fitzpatrick, Jim
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
Goodman, Helen
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lepper, David
Levitt, Tom
Love, Mr. Andrew
Lucas, Ian
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Mudie, Mr. George
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Roy, Lindsay
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Simon, Mr. Siôn
Skinner, Mr. Dennis
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Tami, Mark
Taylor, Ms Dari
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilshire, Mr. David
Wilson, Phil
Wilson, Sammy
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Kelvin Hopkins and John Hemming

Question accordingly agreed to.

Ordered,

That Susan Kramer, John McDonnell, Mr. John Randall, Adam Price, Norman Baker, Mr. John Grogan, Justine Greening, Mr. Edward Davey, Martin Salter, Adam Afriyie, Dr. Vincent Cable and Sarah Teather present the Bill.

Susan Kramer accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 20 March, and to be printed (Bill 63).

Opposition Day

[6TH ALLOTTED DAY]

Law and Order

Madam Deputy Speaker (Sylvia Heal): I advise the House that Mr. Speaker has selected the amendment in the name of the Prime Minister.

5 pm

Chris Grayling (Epsom and Ewell) (Con): I beg to move,

That this House views with great concern the rise in burglary, drug offences and crimes involving knives; is concerned by the Government's complacency about criminal and anti-social behaviour; and is further concerned that the Government has no long-term strategy to tackle the causes of crime.

Let me start, Madam Deputy Speaker, by telling you a story about life in Britain today. It was told to me by the father of one of our soldiers serving in Afghanistan. The soldier was home on leave and out in his local town centre when he became the victim of an unprovoked attack from behind by two youths. He was able to hold them off and the police were called, but he was left badly bruised by what had been an unpremeditated attack. The two young men were arrested, but then, extraordinarily, they were let off with a caution. After 11 years of this Government, we have become a nation that appears so used to a violent assault of that kind that the police deem it fit only for a caution; we have become a nation in which such attacks are sadly routine and not a rare exception. There can be no clearer example of the fact that our society desperately needs change.

Once upon a time, a few years ago, a now well-known politician used the phrase "Tough on crime, tough on the causes of crime" to great effect. Now, 12 years after that man, Tony Blair, became our Prime Minister—12 years since this Government took office—that phrase is a hollow memory. We have a Government who have simply failed to deliver; they have been soft on crime and soft on the causes of crime. We have another snapshot of a broken society, where antisocial behaviour is endemic, violence has become a norm, offenders do not seem to give a damn, carrying weapons is just routine, families can be terrorised by teenage gangs and many of our older people are in fear for their safety. *[Interruption.]* I am glad that the Minister for Borders and Immigration agrees with me and that he recognises the problems that we face. I am glad about that, because I think it is important to come and make some key points to this House—not a habit that the Government are used to.

For the past 10 years, we have had a whole string of initiatives from the Government; there have been more in the past few weeks. All are designed to create a sense of activity and action to tackle the problem, but they have simply not worked.

David T.C. Davies (Monmouth) (Con): Does my hon. Friend share my dismay that so many Ministers are laughing and sniggering at this most serious issue when they have presided over an enormous rise in crime, whether it is measured by the British crime survey, as recorded crime or by any other means? The fact is that one person is being stabbed on the streets of this country virtually every day. Does my hon. Friend think that that is a laughing matter?

Chris Grayling: I pay tribute to my hon. Friend. Through his work as a special constable, he knows better than most in the House the real nature of the challenge that we face on our streets; it is only a shame that our Ministers do not also understand the nature of that challenge as well.

The reality is that the things that disrupt our society are just treated as the norm. I do not think that that is good enough, and it is time that we did something about it. That means dealing with the root causes of a broken society, in which, I am afraid, so many of these things are all too often unchallenged. It also means being tough when they happen.

Philip Davies (Shipley) (Con): On being tough when things happen, does my hon. Friend agree that it is unacceptable that so many people sent to prison are let out earlier and earlier? Recent figures show that whereas two years ago as many as one in six people were let out earlier than halfway through their sentences, last year more than one in three were. Does my hon. Friend agree that that is totally unacceptable?

Chris Grayling: My hon. Friend is absolutely right. That has been endemic under this Prime Minister. Many of those former offenders let out on to our streets simply go back and offend again, and that is a sign of the Government being soft on crime.

Chris Huhne (Eastleigh) (LD): I was as upset as no doubt the hon. Gentleman was to hear about the case that he mentions of violence against the person leading to a caution. Given that within the offence of violence against the person there are several offences such as harassment and assault without injury, for which I imagine that he thinks that a caution would be appropriate, can he tell us what offence was perpetrated?

Chris Grayling: A young man was attacked from behind, completely motivelessly, by two youths. I may be alone in this, although I am sure not on my own Benches, but I rather believe that in our society we should not tolerate a situation where somebody is out for the evening and gets beaten up on spec by two people who happen to be walking down the street as well. A caution is an unacceptable response to such a crime.

The reality is that we can see many of the root causes that the former Prime Minister talked about back in the 1990s. We have disaffected young men growing up in broken homes, in an environment where there is little structure in their lives and little sense of responsibility in their upbringing. We have endemic educational failure, with these young men often playing truant as they grow up. We have generational worklessness in their families. There is often the growing problem of addiction to drugs or alcohol, which destroys family life and immunises the consciences of many of those people out on our streets when they come to cause the trouble that they do.

Mr. Humfrey Malins (Woking) (Con): Does my hon. Friend agree—I think that he will—that in the case of many young people there is a link between crime and school exclusions, with literacy and numeracy problems leading to frustration and bad behaviour on the streets?

Chris Grayling: My hon. Friend, with all his legal experience, knows more than most the root causes of many of the law and order problems that we face among our young people. He is absolutely right. Yesterday, I visited Feltham young offenders institution. What comes over loud and clear is how many of the people who end up in such institutions have profound educational failings in their background. That is certainly an issue that we need to address. It is a scandal that after 12 years of this Government's rhetoric about all the things they were going to do—"My priority is education, education, education"—one in five young people still leave school barely able to read and write. That is not a satisfactory output for years of extra spending in our education system.

At the heart of this challenge is a simple fact in the lives of many young people: nobody really says no to them, so the misdemeanours of youth go unpunished, and they get away with it and do it again and again. The other consequence of people turning against society and becoming ghettoised is a haemorrhaging of the values that once kept crime in check, particularly violent crime. Too many people just do not care and cannot tell the difference between good and bad, and the Government do not know what to do about it.

Mr. Edward O'Hara (Knowsley, South) (Lab): Would the hon. Gentleman therefore applaud this weekend's Operation Staysafe, which was pioneered by Merseyside police, although I understand that other police forces followed suit? They picked up young people on the streets who were at risk of becoming victims of crime or on the slippery path to becoming criminals themselves. Some 60 children were picked up, 29 of them in my own borough of Knowsley, and taken to safe places—some of them were even taken to hospital because of their consumption of drink—and their parents were involved. Is not that something practical that the Government are doing to address the issue that he mentions?

Chris Grayling: I will be in Liverpool tomorrow meeting the chief constable of Merseyside, so I look forward to finding out about what he is doing. It is right and proper that we should give our police greater freedom to do their job properly, and the hon. Gentleman describes good work on the ground from our police. However, they tell us all too often that they cannot do the job that they would like to do because this Government have wrapped them up in red tape and left them sitting in police stations filling in forms.

Keith Vaz (Leicester, East) (Lab): On that point, one of the things that Government and Opposition Front Benchers have talked about over the last few years is a reduction in bureaucracy. Is the hon. Gentleman satisfied that his proposals for grounding orders will not lead to more bureaucracy? The police would have to visit the youngsters' homes in order to check that they were still there once they were subject to such orders. Has he considered that possible consequence of what he has suggested?

Chris Grayling: The right hon. Gentleman refers to my proposal on grounding orders, and I will happily deal now with that issue, about which I have talked extensively to police officers. The big problem is that there is nothing between a police officer meeting a gang of young people on the streets and the criminal justice system except for the Government's clumsy system of antisocial behaviour orders, which take months, and multiple agencies, to deliver. Police officers say that they want something simple and straightforward that gives them some power to deal immediately with the problems that they face. They do not have such powers today, and I believe that my proposals will grant them in a way that is quick, simple and not bureaucratic.

The Government's record speaks for itself. There has been a decade of failure to get to grips with law and order problems. Violent crime is up almost 80 per cent., robbery is up 27 per cent., criminal damage is up past 1 million offences, with nearly 3,000 committed every day, fatal stabbings are up by a third, and gun crime has nearly doubled, with injuries from gun crime up almost fourfold—and the Government's response has been to be soft on crime. They have let people out of prison early, as my hon. Friend the Member for Shipley (Philip Davies) rightly said. Since the Prime Minister came to power, 47,000 people have been released early from prison, including 9,000 convicted of violent offences. Nearly 1,000 crimes have been committed by criminals who have been released early—and they are only the ones who have been caught. Five out of six offenders convicted of knife possession get off without a jail sentence. More and more offenders are let off with penalty notices, half of which are not even paid.

The Government have also been soft on the causes of crime. A culture has been allowed to grow outside society's mainstream, somewhere alienated and with no hope; it is

> "a culture of broken homes, truancy, poor education, drugs, no job, or dead end jobs...when we sow the seeds of such a culture, we should not be surprised at the harvest we reap".

Those words are not mine, but those of the former Prime Minister Tony Blair, speaking back in 1993. He was right to say what he said then. This Government have utterly failed to get to grips with those challenges.

We are still waiting for real action on welfare reform 10 years on. On family policy, this Government have made it more financially attractive for some couples to live apart. The Government have thrown billions at our education system, but utterly failed to tackle truancy, indiscipline and endemic educational failure.

Mr. William Cash (Stone) (Con): On the question of education, does my hon. Friend not agree that in the context of our proposal to repeal the Human Rights Act 1998, there is a considerable opportunity for us to consider reintroducing some form of physical punishment in schools to ensure that discipline is carried out, and indeed, to consider doing so outside schools, when we are dealing with thugs who are victimising the elderly and people who cannot help themselves?

Chris Grayling: I know that my hon. Friend has strong views on these subjects and on what could be done. I am not sure that I agree with all of them, but none the less, we share the aspiration of coming up with the right way of saying no to young people who step out of line without criminalising them.

We have big challenges ahead if we are to deal with the causes of crime, but we also have to be tough on

crime itself. We have to tackle youth antisocial behaviour. Plenty of teenagers stray off the straight and narrow sometimes, but today there are no consequences when they do so. That is what has to change. All too often, when we look at the case of a 15 or 16-year-old who is starting to commit serious offences, we find a story of years of minor misdemeanours that have gone unpunished. That cannot be right. At the moment, things are moving in the wrong direction. In 2007-08, more than 93,000 youngsters aged between 10 and 17 received their first caution or conviction, which is up from 78,000 just five years ago—a big jump in the wrong direction.

ASBOs have become a badge of honour for some, and they take months to impose. The Government's section 30 orders just move young gangs from the streets that they are on to the next potential hot spot. In the police Bill currently being considered, the Government are even talking about moving 10-year-olds on to the next street. I think that 10-year-olds out on the street causing difficulties should be sent home, not just moved on to the next street. That is where my thinking about grounding orders comes from, because they would give the police a power to send an immediate message to such young offenders that they cannot get away with causing trouble on our streets.

Chris Huhne: Taking on board the point made by the Chairman of the Home Affairs Committee about the need to minimise police bureaucracy, would the hon. Gentleman perhaps consider an alternative to his proposal for grounding orders? Penalty notices could be given by police officers or police community support officers asking young people to clean up things such as graffiti immediately. That would not require the constant supervision that is arguably suggested by the grounding order, and it would be clear and easy to apply.

Chris Grayling: There is some logic in having tougher community sentences for young offenders, but the simplicity of the grounding order makes it deliverable quickly by the police and local magistrates. It would be a powerful weapon in the armoury of individual officers in trying to deal with such problems.

The second thing that we need to change is the licensing regime. We should be much more robust about binge drinking in our towns and cities. There is a strong case for reviewing Labour's 24-hour drinking regime, which has not created the continental café culture that we were promised. We should deal systematically with retailers who break licensing laws and clubs that allow drug taking on their premises, and there should be powers to do so simply and quickly. We need to take steps to stop unacceptable practices in the sale of alcohol to young people. I have come across the case of an organisation delivering alcohol to a local park, which cannot be sensible or acceptable.

Keith Vaz: So would the hon. Gentleman agree with the Home Affairs Committee's unanimous recommendation that there should be a floor price for alcohol sales at supermarkets?

Chris Grayling: That is a different point, and I have not had a chance to read the Committee's report, but I am aware that it has made that recommendation. I do not think that the matter is as straightforward as the Committee suggests, but I will happily read the recommendations and talk to the right hon. Gentleman about them at some point.

The third thing that we need to do is deal with the caution culture that I mentioned earlier. Issuing a caution should not be a case closed, a tick in the box and an extra notch on the list to be sent to the Home Office for the Home Secretary to review. That is not good enough. Giving someone a caution should not be a way of scoring an easy win in the case-closed league table. That has to be a thing of the past. Someone found carrying a knife in a city centre should end up in the courts and then behind bars, not get a caution. Unbelievably, I was told recently of someone getting a £65 penalty notice for carrying a 3 ft-long samurai sword around a city centre. All that has to stop. Someone who attacks a stranger in the street should end up in court and then behind bars, not get a caution and simply be sent on their way.

The fourth change that we desperately need is that oldest of political chestnuts, which we have been promised year after year by this Government: more police on the beat. Still only about 14 per cent. of police officers' time is spent on patrol, compared with about a fifth on paperwork. If we walk into any police station and ask the officers what is their biggest bugbear, despite all the reports, reviews and announcements, they still tell us that it is the paperwork.

Anne Main (St. Albans) (Con): I am sure that my hon. Friend must therefore be as dismayed as I am to read about the cuts in police force numbers. Indeed, 49 police officers will be lost in Hertfordshire alone. I do not think that that can possibly be conducive to being tough on the causes of crime.

Chris Grayling: My hon. Friend is right. The reality, as we saw in the most recent crime figures, is that there has been a big jump in the number of robberies with knives and a worrying increase in burglary. Because this Government have wrecked our public finances, we will end up with fewer police on our streets, which is not acceptable.

What we have today is a Government who have lost their way. They do not realise that all the criminal justice Bills that they have passed in the past decade have just wrapped up the police in yet more bureaucracy. They do not realise that Acts of Parliament introducing more and more crimes do not actually solve crimes, or that their inability not to interfere is holding the police back. They look like a tired Government who have run out of ideas, and they seem to have little idea of how to solve the problems that we all face. To my mind, that is always a pretty clear sign that what we need in this country is change.

5.18 pm

The Secretary of State for the Home Department (Jacqui Smith): I beg to move an amendment, to leave out from "House" to the end of the Question and add:

"welcomes the unprecedented 39 per cent. fall in crime since 1997, with burglary down by 55 per cent. and violence by 40 per cent; notes that the chance of being a victim of crime is at an historic low; further welcomes the record numbers now entering and staying in drug treatment services; further supports the drive to tackle gangs, including measures in the Policing and Crime Bill to introduce injunctions on gang activity; further welcomes the

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preventative, educational and enforcement action taken to tackle knife crime, with those carrying a knife now more likely to be caught, prosecuted and imprisoned, if found guilty; considers that the Government's determination to tackle criminal and antisocial behaviour is demonstrated by the record levels of investment in policing since 1997 and increases in the numbers of police officers and police staff to an all-time high, as well as the Government's drive to cut police red tape to free up more time for police officers to spend on the beat; is concerned at any proposal to make sudden cuts to the Home Office budget that could lead to reductions in police officer numbers; commends the Government's determination to stand shoulder to shoulder with local communities in the fight against crime and antisocial behaviour; and deplores talk of a 'broken society' as a counsel of despair."

We might need change, but we have not had much change in the Opposition spokesman's speech this week. My hon. Friend the Minister for Borders and Immigration describes it as the "single transferable speech"—delivered yesterday, reported yesterday, repeated in the House today. However, I suppose that it is a mark of the new-found commitment of the hon. Member for Epsom and Ewell (Chris Grayling) to being tough on crime and tough on the causes of crime that at least he has succeeded in making a speech about law and order without once describing the Government's action as a gimmick.

That, essentially, was the Conservative party's policy on law and order under the hon. Gentleman's two predecessors. They told us that the knife scanners in which we had invested were a gimmick. The told us that the ability to call or e-mail neighbourhood policing teams, which now patrol streets in every neighbourhood in this country, was a gimmick. They told us that taking action against young people who persistently drink in public was a gimmick. They told us that educating young people about the dangers of binge drinking was a gimmick—but then the Conservative party has pledged to cut all the advertising that warns young people about the dangers of alcohol, drugs and knives.

Mr. Tobias Ellwood (Bournemouth, East) (Con): I thank the Home Secretary for giving way, and congratulate her on managing to muster one Labour Back Bencher for this important debate. She mentions gimmicks. What has happened to the respect agenda, which hit Bournemouth—we were told that it would help people in Boscombe—like a whirlwind? With a great fanfare, the Home Secretary or one of her colleagues came to Bournemouth to announce the initiative. What has happened to it? I can tell her, before she gets up to reply, that it was a gimmick. We have heard nothing of it since the announcement.

Jacqui Smith: The respect agenda and work on antisocial behaviour throughout the country mean that in nine out of 10 council areas, people believe that antisocial behaviour has decreased. I am sure that the hon. Gentleman wants that to continue.

Keith Vaz: One of the Home Secretary's proudest boasts in the past two years—and that of all Labour Home Secretaries—is the increase in police numbers. Is she as alarmed as I am to read in *The Times* today that the chief constable of Gloucestershire suggests a reduction in the number of police officers, not only in Gloucestershire but in other parts of the country, when we have received figures that show that the number of police officers has increased? We have police community support officers for the first time, and the work force as a whole have increased by 50,000. Where do the figures about the necessity for a reduction come from?

Jacqui Smith: I am not sure where those figures come from, because there were more than 800 more police officers on our streets in September 2008 than there were in September 2007. The chief constable of Gloucestershire leads for the Association of Chief Police Officers on finance, and when we announced our spending review provision for police grant he said:

"The overall settlement is broadly in line with anticipated rises in core costs, and this will help preserve many of the key gains in police officer and police staff numbers made in recent years."

Police authorities are still working to those budgets, and the Government have invested in increased police numbers.

Several hon. Members *rose—*

Jacqui Smith: I shall give way in a moment.

To continue with the point about gimmicks, Conservative Members told us that that seizing drug 'dealers' assets on arrest was a gimmick. They also described reviewing the incapacity benefit of drug addicts who are not willing to undergo rehabilitation as a gimmick. So much for the professed interest of the hon. Member for Epsom and Ewell in tackling the causes of crime as well as crime itself.

Hon. Members will remember how the hon. Gentleman's predecessors were united in their opposition to antisocial behaviour orders. Those were another "gimmick"—one that the hon. Gentleman and his Front-Bench colleagues tried to water down so that an ASBO could apply for only three months rather than two years. I know of many communities throughout the country that are still breathing a sigh of relief that they failed in their attempt.

Mr. Malins: On the subject of effective policies that the Government have introduced, may I take the Home Secretary back to the time when I revealed to the Committee that considered the Violent Crime Reduction Bill that many thousands of children carried knives into school every day? The Government's answer then was to introduce a policy allowing head teachers to search children for knives. Has that happened often? Roughly how many prosecutions have resulted from the exercise of that power?

Jacqui Smith: Yes, it has happened. What has also happened is that scanners have been made available in some schools, along with search arches. It is a good thing that knives are hardly ever found in our schools. The point of the policy, as the hon. Gentleman said, is not to get young people into court, but to deter them from carrying knives in the first place, and that is what we have been doing. Thankfully, Opposition Members have failed in their attempts to undermine our determination to stand shoulder to shoulder with local communities in the fight against crime and antisocial behaviour and to give them the powers that they need to stop daily life from being made a misery.

Several hon. Members *rose—*

Jacqui Smith: In a moment.

Last December I visited a neighbourhood in Tower Hamlets where the local council and the police had used the new premises closure order powers that this Government introduced to evict the persistent offenders living in one flat and to board it up. That order was made possible only because covert CCTV had helped to capture evidence of antisocial behaviour and illegal activities. We know that CCTV is crucial to protecting the decent law-abiding public from thuggish behaviour, but we do not know where the hon. Member for Epsom and Ewell and his Front-Bench colleagues stand on the issue these days. If he can bring himself to support the use of CCTV to make our streets safe, and the use of the DNA database to catch criminals, that will indeed be a major step forward in Tory thinking.

Bob Spink (Castle Point) (Ind): I will be supporting the Home Secretary's amendment in the Lobby this evening because it is constructive, rather than simply an example of petty point-scoring like the Opposition's motion. Does she agree that communities will find nothing gimmicky in the use of technical equipment to recognise car number plates, so that they can know that they will be kept safe by the police? The police can see burglars and other known criminals going into communities in their cars and can take defensive action to stop burglaries and other crimes. There is nothing gimmicky about that; it is just a good example of using technical equipment in policing.

Jacqui Smith: The hon. Gentleman, as so often, is absolutely right: that is why police officers who use number plate recognition are five times more effective at making arrests than those who do not.

Whatever the truth, I suspect that the hon. Member for Epsom and Ewell, despite what he said, will not be sharing a platform with his two immediate predecessors at the meeting of the convention on modern liberty this Saturday. That is a pity, because it would be a good opportunity to explain his latest thinking on the need for there to be "fewer rights, more wrongs". I wonder what the hon. and learned Member for Beaconsfield (Mr. Grieve), with his solid support for the European convention on human rights, will make of that comment, which we heard this week.

The hon. Member for Epsom and Ewell may not be keen on rights, but he is not very keen on facts, either. There are several important facts that we need to put on the record for him this afternoon. First, since 1997 crime in this country has come down by 39 per cent.—an unprecedented amount—overall. Violence is down by 40 per cent. and burglary is down by 55 per cent. He has only been in his job for a month, but before he opens his mouth to repeat the claim that violent crime is up by almost 80 per cent.—he has done it again today—I hope that he will pause for thought and try to remember two crucial details: the expansion of the "violent crime" category in 1998, and the introduction of the national crime recording standard in April 2002.

If the hon. Gentleman needs a lesson in the Conservative party's position on those changes, I am sure that the hon. Member for Bury St. Edmunds (Mr. Ruffley) will oblige. However, those changes were designed to be honest about crime, so that common assault was classed as the violent crime that it is, and so that, rather than recording a single incident, the number of victims involved was recorded instead. As we know, according to the British crime survey, violence has actually fallen by 40 per cent. since 1997.

Several hon. Members *rose—*

Madam Deputy Speaker: Order. Hon. Members have attempted to catch the Home Secretary's eye but at this moment she is not prepared to give way.

Jacqui Smith: Since that change in 2001, as the hon. Member for Epsom and Ewell will know from the detailed answers that I have provided to his written question of 4 February, between 2002-03 and 2007-08, the total number of all criminal offences recorded dropped by just over 1 million.

Mr. Crispin Blunt (Reigate) (Con): Like my hon. Friend the Member for Epsom and Ewell (Chris Grayling), I have been doing my current job for only a month—but it is the Home Secretary's own figures that we are using to calculate the rise of 88 per cent. She is right to say that on an unadjusted basis the figures would be different, because the rise then would be 300 per cent. The figures are in a Home Office statistical bulletin—and I know there is some doubt on the part of the chief statistician about the manipulation of Home Office figures—but on a like-for-like basis, there were 502,778 offences in 1998-99 as compared with 961,188 offences in the last year.

Jacqui Smith: Let me contribute to the hon. Gentleman's education. I have just explained the difference made by changes to the violent crime category in 1998 and changes to the national crime recording standard in 2002. That is why the hon. Member for Bury St. Edmunds subscribed to the British crime survey as being an important way in which we measure violent crime. In the British crime survey, measured on a like-for-like basis, violent crime has fallen by 40 per cent. since 1997. That is due in large part, of course, to the tireless work of the police in bearing down on crime and building up public confidence.

That brings me to fact No. 2. Since 1997, we have seen record investment in the police and record numbers of police officers, police staff and police community support officers: record investment and record numbers, backed up by concrete steps to cut red tape, such as scrapping the stop-and-account form and police timesheets, so that more officers are freed up to spend more time on the beat. The action that we are taking will help us to deliver our plans to save up to 7 million hours of police time—the equivalent of an extra 3,500 officers.

Yet we have heard few words of support from the hon. Member for Epsom and Ewell today about the efforts the police are making to keep our streets safe. In fact, we hear quite the reverse. In his first outing before the House in his current role just over a month ago, the hon. Gentleman used a curious phrase about the police. When challenged directly on where his party's plans for sudden cuts to the Home Office budget would fall, he said that there was a need

"for all of us, in these difficult times, to draw in the horns of the public sector".—[*Official Report*, 19 January 2009; Vol. 486, c. 528.]

The hon. Gentleman likes to think that he has a reputation for straight talking, so let us translate that uncharacteristic

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shyness into plain English. That means 3,500 fewer police officers in this country, including 49 in his local police force alone. The contrast could not be more stark: our plans to free up 3,500 more officers, or the Opposition's plans to make cuts of the same number.

Chris Grayling *rose—*

Jacqui Smith: I shall give way to the hon. Gentleman, even though he has not replied to my letter on precisely this point.

Chris Grayling: Will the Home Secretary tell the House how much her Department spent on management consultants last year?

Jacqui Smith: It was certainly not £160 million, which is the amount the hon. Gentleman is proposing to cut from our budget—the equivalent of 3,500 police officers. If it is not, he can respond to my letter and say so.

Rosie Cooper (West Lancashire) (Lab): I have listened very carefully, but I tend to judge people not just by what they say, but by what they do. Both the Home Secretary and Conservative Members might like to think about what is happening in my local authority area. Although there are substantial reserves—I mean millions; about £7 million is there to be used—the Tories have frightened local people by saying that one reduction they might make tomorrow is to reduce the number of PCSOs. Tomorrow, then, a Tory local authority will consider reducing the number of PCSOs, frightening local people with the prospect of losing the services previously provided. That is why I say that what matters is not so much what people say, but what they do. I will watch and see what they do tomorrow.

Jacqui Smith: My hon. Friend makes a very powerful point about the action taken by Tories when they are in power.

Today and yesterday, the hon. Member for Epsom and Ewell made some pretty big claims. He said, for example, that violence "has become a norm". I think that I have already pointed out that that is not the case. Three in every 100 people will be affected by violence this year. That is still too many, but it is a wilful delusion on his part to say that it approaches a norm. Yesterday he said—he said it again today—that

"carrying weapons is increasingly the norm".

Not so. Even in the hot spots that we have targeted, only 2 per cent. of stops find a knife. Guns are much rarer still. I remind the House that firearms-related injuries have halved in the areas targeted by the work of the tackling gangs action programme.

Yesterday, and again today, the hon. Gentleman suggested that truancy is the norm. Not so. The last time I looked, pupils missed less than 1 per cent. of school sessions. That is too high, but truancy is not the norm. Violence is the exception in this country, not the norm. To say otherwise is to fly in the face of the facts and to paint a false and damaging picture of families and communities up and down the country.

Britain is not broken—far from it—and I will defy anybody who says that it is. To call Britain broken is to offer no hope and no help to communities that need our support and are doing their best to make a better life for themselves. It is to surrender to a counsel of despair, rather than trying to solve people's problems.

Confidence is a precious thing, and the hon. Gentleman—

Several hon. Members *rose—*

Madam Deputy Speaker: Order. The Home Secretary will decide to give way as and when she pleases. Will Members please bear that in mind?

Jacqui Smith: Confidence is a precious thing, and the hon. Gentleman should choose his words carefully before he undermines that confidence and runs communities and the police down. At the very least, he should try to keep up with the facts, as we have seen today, and see for himself the difference that our action is making on the ground.

As the hon. Gentleman was adding the final flourishes to his speech this weekend, police and children's services across England were, as my hon. Friend the Member for Knowsley, South (Mr. O'Hara) pointed out, running Operation Staysafe patrols—talking to more than 1,000 young people out on the streets and, where necessary, taking them home to their parents and asking those parents to explain why their kids were out late. On Friday night and Saturday night, the police were out doing the very thing that the hon. Gentleman claimed on Monday morning that they were not doing enough of.

The hon. Gentleman also needs to look at the small print of his proposals on the curfew order, which we have heard more of today, to keep troublemakers inside their houses. That is a good idea, which is why the police already have the power to go to a magistrate and ask for a troublemaker to be prevented from leaving their house at night. That is called an ASBO. Since 1999, the police have routinely been able to impose a curfew as a condition of an ASBO, and breaching it is a criminal offence.

Keith Vaz: I am most grateful to the Home Secretary for giving way a second time. There is nothing wrong with putting forward new ideas, but my problem with the proposals of the hon. Member for Epsom and Ewell (Chris Grayling) is that they would tie the police down even more. If they had to visit the homes of those who are subjected to grounding orders, that would take up more time, not less.

Jacqui Smith: I have to say to my right hon. Friend that there are times when police officers should visit the homes of young people whom they are returning to those homes. They should be supported through Government investment in things such as Operation Staysafe to be able to do so.

Crime is down—not just through tough enforcement, but through preventive action to tackle its causes and to build public confidence in the fight against crime. When we put more police officers on to the streets and invest in police community support officers to provide visibility—

Mr. Cash: On a point of order, Madam Deputy Speaker. The amendment to the motion before the

House, which stands in the name of the Prime Minister, specifically states that the Home Secretary's proposals include

"measures in the Policing and Crime Bill to introduce injunctions on gang activity".

There does not appear to be any reference to that in the Bill, or indeed in the explanatory notes. Can the Home Secretary be called upon to explain what the motion is supposed to mean in those terms?

Madam Deputy Speaker: That is not a point of order for the Chair. We are not discussing—*[Interruption.]* Order. We are not discussing a Bill; we are discussing a motion and an amendment, which are before the House.

Jacqui Smith: Thank you, Madam Deputy Speaker.

When we put more police officers on the streets and invest in PCSOs to provide visibility and reassurance, crime comes down. When we take a tough approach to antisocial behaviour, crime comes down. When we more than double the number of people in drug treatment, crime comes down. When we ensure that parents live up to their responsibilities, and when we invest £25 million in family intervention projects to reach 20,000 of the most complex families over the next two years, crime comes down.

The hon. Member for Epsom and Ewell talks tough about targeting problem families, but his party is no fan of parenting orders and his colleagues would cut funding for those projects. I suppose that that is what can be called "drawing in the horns of the public sector" as well.

When times are tough, I am determined to meet the new challenges head on. I am determined to help people in hard times. Nothing that the hon. Gentleman can say will change that. In fact, the "tough on crime, tough on the causes of crime" tone that he has adopted reminds me not of Tony Blair in 1993, but of someone very different. The echoes are rather more of John Major in the same year, when he said:

"Society needs to condemn a little more and understand a little less."

When the hon. Gentleman says that we need "fewer rights, more wrongs"; when he calls for the criminalisation of all children; when his first instinct is not to welcome the dramatic falls in crime that we have seen since 1997 but, like a bad workman, to blame the tools that measure those falls; when he wilfully misunderstands the picture showing how violent crime has dropped in this country; when he describes as meaningless the hard work of the police and communities in coming together to build a better life for themselves, and to take on gangs and stand up to knife crime—then it is certainly the case that condemnation is on the rise and understanding is on the wane, but the lack of understanding is entirely on the hon. Gentleman's part and on no one else's.

I commend the amendment to the House.

5.41 pm

Chris Huhne (Eastleigh) (LD): I hope that all of us, in all parts of the House, can agree that crime is too high, and that violent crime is a continuing and real concern. I hope that there is, therefore, a consensus on the ends, but where there is clearly not a consensus is on the means.

This debate should, in our view, be about what works. There is a clear pragmatic principle, but sadly it seems that the debate is not about that. Both the other parties are locked in a populist battle about punishment—about who can be tougher, who can promise longer sentences, and who can lock up more people. The Government have criminalised a generation of young people. We lock up more young people than any other country in Europe. In 10 years, the number of 15-to-17-year-olds in custody has risen by 86 per cent. Our overall prison population has doubled, and it is also the highest in Europe. The average Crown court sentence has risen from 22 months to 25 months since 1997.

At the same time, we have clearly succumbed to legislative diarrhoea, with 3,600 new criminal offences and 66 new criminal justice Bills. Bills are being used to send signals like press releases. Do we really need a new offence of setting off a nuclear explosion? Would not murder, or even criminal damage, have been sufficient? Is it any wonder that all who try to make the criminal justice system work, from police officers through barristers to judges, are mystified by the results of this legal whirling dervish?

The message from those on the Conservative Benches is not that the Government's toughness has failed but that it has not even been tried, which is extraordinary. The hon. Member for Epsom and Ewell (Chris Grayling) says that he wants "at home ASBOs" for young people, so that they can be marched off and put under curfew. As we have heard, those powers are already on the statute book to cover night-time. If I understand the hon. Gentleman correctly, he wants to extend them to cover all time other than time at school. He wants a presumption that everyone carrying a knife will suffer a custodial sentence. Let us leave aside the completely implausible cost of that proposal.

The hon. Gentleman says that cautions should not be issued in cases that would include harassment and assault without injury. He wants to curb bail so that more people would wait in cells before trial if they pose a risk to public safety. Such a broad definition would surely encapsulate most car drivers. More people would effectively be found guilty until proved innocent.

Philip Davies: The hon. Gentleman has talked of the number of people whom we lock up in this country. For every 1,000 crimes committed in this country, we lock up between 12 and 13 people. Can the hon. Gentleman name any other country in the world that locks up fewer people than 12 for every 1,000 crimes committed?

Chris Huhne: The hon. Gentleman knows that there is a difference between my party and his on whether it is more relevant to give the figure relating to the population which is always given in international comparisons, or to scrabble around for a figure in an attempt to persuade us that we are not punitive. The embarrassing—

Philip Davies *rose—*

Chris Huhne: Let me answer the hon. Gentleman's point before he intervenes again.

The embarrassing evidence for both the Government and the official Opposition is that punitiveness does not work to cut crime. For those who like simple correlations, a rise in the prison population against the recent fall in

[Chris Huhne]

overall crime looks persuasive, of course, but the comparison does not look so persuasive when we note that the only country in the European Union where crime has risen since 1988 is Belgium. Everywhere else crime has fallen, including in the UK. In Denmark, there was a 9 per cent. fall in crime and a 9 per cent. cut in the prison population, and Finland offers a similar example. Outside the EU, in Canada there has been a 17 per cent. drop in crime with incarceration rates broadly stable.

David T.C. Davies: Does this not actually prove the point of those who say that prison works? Lots of people go into prison; lots of people suddenly decide it is not a good idea to commit crime; therefore, the number of crimes committed goes down and the prison population falls because there is no need to lock as many people up. That is why prison works, and prison is a bargain for the taxpayer.

Chris Huhne: The hon. Gentleman has clearly not been listening to my speech, and I suggest he studies it in *Hansard* tomorrow, because I have given him a lot of international examples of where there are falling prison populations combined with falling crime. That evidence presents a real problem for his argument.

Of course the criminal justice system matters. It matters if it stops reoffending, but ours does not—at least not adequately. Of the young men whom we lock up in prison for the first time with sentences of less than a year, 92 per cent. go on to reoffend—prisons are, frankly, colleges of crime. A former Conservative Home Secretary, David Waddington, said that prison was

"an expensive way of making bad people worse."

We should use non-custodial means of dealing with young and first offenders far more, not because we are soft, but because it works. The Matrix Knowledge Group recently found that seven alternatives to prison were better value for money for the taxpayer in reducing reoffending—and I always thought the Conservatives were keen on better value for money.

Philip Davies: The hon. Gentleman is absolutely right to say that the number of people who commit crimes after being sentenced to prison for less than a year is very high, but will he concede that the longer people spend in prison, the less likely they are to reoffend? For those who spend more than four years in prison, the reoffending rate drops to about 35 per cent. Is not the answer, therefore, that these people should spend longer in prison, rather than less?

Chris Huhne: I take it the hon. Gentleman is not making an application to join his party's Treasury team, because if so, he would suffer severe embarrassment on account of that suggestion; if he were to work through the public expenditure costs of what he appears to be suggesting, he would have to put up taxation enormously.

The truth is that as the Home Office's own sponsored research has shown, there is

"no firm evidence regarding the extent to which raising severities of punishment would enhance deterrence of crime."

Excuse the bureaucratic language, but let me translate: this is Home Office-sponsored research that says punishment does not work to cut crime. Of course, there must be prison for serious offences and for serial offenders, but what matters most in cutting crime is detection. We could introduce sharia law in this country, but we would not cut crime if the detection rate did not improve.

If we take the British crime survey definitions of crime and add in crime against young people under 16 and business crime, we can see that about one crime in 100 leads to a conviction in a court of law, and that is nothing like enough—I hope that the hon. Members for Shipley (Philip Davies) and for Monmouth (David T.C. Davies) agree. Detection rates of recorded crime have fallen back from 34 per cent. at the end of the '80s to 28 per cent. according to the latest figures. We can all agree that we need to cut police bureaucracy and to use more information technology, but anyone who thinks that they are the real or only problems has not studied the sharp differences in detection rates between police forces. Even for crimes such as violence against the person, to which the hon. Member for Epsom and Ewell has rightly been drawing attention, detection rates vary from a low of 36 per cent. in the case of London's Metropolitan police to 67 per cent. in North Yorkshire. Of course, rural areas are easier to consider in this regard, but even like-with-like comparisons show big gaps in performance: Merseyside and Greater Manchester police manage rates of 54 per cent. and 50 per cent. respectively, which are far higher than the figure for the Metropolitan police.

What if we narrowed the differences with best practice? Some 400,000 more crimes would be detected if the average detection rate were close to that of the top 10 per cent. We need more police on the beat, which should be done by curbing prison costs and by scrapping the identity card scheme. Equally important, at a time of scrimping on budgets and real hardship for so many families, is the need for better and more effective policing.

Mr. Peter Bone (Wellingborough) (Con): Is the hon. Gentleman as concerned as I am that over the past three years the proportion of police officer time on the beat has shrunk from an extraordinarily low 15 per cent. to 10 per cent? The level is decreasing rather than increasing.

Chris Huhne: I certainly wish to ensure that police forces try to get as many officers in the front line, doing what the public want them to do, as possible. I believe that there are a set of answers on that issue, one of which is cutting bureaucracy and reducing the amount of time that officers have to spend repeating tasks that they have already done when they take their original notes.

May I discuss the broader question of how we improve efficiency? The Government had an answer in their Police Reform Act 2002—to set targets for everything that moved. That had some brutal impact, but the benefits of Gosplan-style centralism were always overestimated by the Labour party and only ever work in the most unsophisticated economy. Then we had the Green Paper, which sensibly suggested getting rid of targets and establishing serious local accountability instead. Unfortunately, the Home Secretary has now bottled the local accountability, so we are back to the system we had before 2002, which was found to have failed. What is it in the Government's view that will drive up police performance if it is not genuine local accountability? At

least both the Liberal Democrats and the Conservatives agree on accountability, although we feel that the Conservative proposals are dangerously Napoleonic and Caesarist, and we would prefer a more pluralist and British model. I would be happy to give way at this point, but I see that no hon. Member wishes to intervene.

Strong local accountability would ensure a focus on improving performance on key local priorities and it would mean holding police officers to account. It is not in the interests of the vast majority of hard-working officers that a small minority of passengers go undisciplined, yet one would conclude that it is from the tiny number of police officers who are dismissed from their force under one incapability procedure or another. Those serious issues of police reform are ones that both the Government and the official Opposition, when they were in government, have run away from—one saw that in the Sheehy report in 1993 and in report after report by Her Majesty's inspectorate of constabulary. One of its more recent reports in 2004 said that we needed a

"fundamental review of concepts such as the single point of entry to the service, the 30-year police career and the current non-transferability of training, skills and qualifications".

If we are to remodel the criminal justice system on what works, it is inescapable that we must also invest more in the practical research that can test scientifically what works. The National Policing Improvement Agency should be given a wider remit and should aim to do for policing, and, indeed for the wider criminal justice system, what the National Institute for Health and Clinical Excellence does for medicine. We should also put public faith back into the crime figures by ensuring that we do not have repeats of today's rather unedifying spat between the Conservatives and Labour on whether or not the British crime survey or the recorded crime figures are correct. Let us make the Home Office statistical unit part of the Office for National Statistics itself. Let us make detection rates as well as crime figures available at ward level, so that people can see police progress as well as what the problem is.

Keith Vaz: We have discussed statistics, how many police officers have gone on the beat in the past 10 years and the statement from the chief constable of Gloucestershire that he will have to lose 60 police officers. These figures ought to be independently monitored, so that we have a proper set of statistics to debate.

Chris Huhne: I entirely agree with the right hon. Gentleman. We should try to ensure that the debates in this Chamber are about real differences of views, values and approach, based on the evidence, and are not extremely arid exchanges about which figures are right and which are wrong. We faced exactly this sort of problem in relation to economics in the 1980s, because when the Conservatives were in power they proceeded to change the unemployment figures time after time and it was only when the figures were put clearly under independent control, out of the hands of Ministers, that some restoration of public confidence in those numbers took place.

Let us end centralised targets and give local police authorities far more power. Let us head young people off from the criminal justice system early on, rather than have it come down on them with its full weight and turn them into lifelong criminals. Let us use community justice panels to decide how the punishment should fit the crime. The truth is that the Government have run out of ideas and are merely serving up another knee-jerk reaction of populist punitiveness. They no longer have any serious proposals to improve policing, even though the need to do so is manifest. The official Opposition look like reheated leftovers from the Blairite heyday: tough on crime and tough on the causes of crime. What we need is a real change, a new approach and what works.

5.56 pm

Keith Vaz (Leicester, East) (Lab): It is always a pleasure to follow the hon. Member for Eastleigh (Chris Huhne), who made sensible suggestions, especially on police accountability; I think that was the first time the shadow Home Secretary has been described as being Napoleon and Caesar in the same sentence—one was slightly taller than the other, but both were shorter than the hon. Member for Epsom and Ewell (Chris Grayling).

This is an important debate, and I glad that the Opposition have used part of their time to discuss law and order. It is important that we discuss the issue regularly and that it remains at the forefront of the Government's policies on the domestic agenda. I was pleased to hear about the real success story of the Government's policy on law and order over the past 12 years. I was also pleased to hear from the Home Secretary about the following: the work of the neighbourhood policing teams; the record level of investment that has been made; the overall fall in crime—she put that at 40 per cent., and although my figures show that the fall has been even better, we will use her figures; and the fact that this country's police funding is the highest among the OECD. I welcome the decision taken only last week by Ministers to implement the rest of the recommendations of the Flanagan report. I believe that of the 59 recommendations to cut police bureaucracy 19 have so far—*[Interruption.]* I do not wish to interrupt the discussion going on between the two junior Ministers on the Front Bench, because I know that they have important things to discuss—

The Minister for Borders and Immigration (Mr. Phil Woolas): We were talking about your report.

Keith Vaz: It is kind of the Minister to say that, but as I was lavishing praise on the Government I would have thought he would wish to hear it. I was pleased that 19 of the 59 recommendations made by Sir Ronnie Flanagan have been implemented and that only this week a written statement from the Home Secretary told us that the so-called Normington review and the first tranche of work by Jan Berry are to be accepted by the Home Office and that therefore bureaucracy will be cut even further.

The clarion call from all Members of this House, from all parts, for as long as I have been here—that is 22 years, this year—has been that we need to have more police officers on the beat. The issue of visibility was raised by the hon. Member for Wellingborough (Mr. Bone), and we need to see our bobbies on the beat. If we accept the Government's figures—I am glad to see the Minister smiling—an additional 50,000 people have joined the police work force as a whole. I am talking about civilians as well as uniformed officers. If we accept the Government's

[Keith Vaz]

figures, there are 15,805 police community support officers that we never had before and we have an extra 15,000 police officers—their number has increased from 125,825 to 140,230 this year.

If we accept those figures, they should mean that there is a police office on practically every street at every moment of the day. We know that that is not practical, and that is why we welcome the reduction in bureaucracy that will lead to that outcome. That is why I intervened on the Home Secretary—

Mr. Bone: As always, I am listening with great interest to the right hon. Gentleman, and he makes a lot of sense. The Government's answer to a question put by me suggests that the number of police officers on patrol has fallen by 30 per cent. in the last three years. We may be getting more police officers, but they are certainly not out on the beat.

Keith Vaz: The hon. Gentleman is right, but the Government have sought to make amends. The problem is the targets that were imposed on police officers at every level. Those targets are now being removed. I do not understand why we would impose targets on local police forces in an attempt to make them more efficient and cost-effective, and then five or six years later decide that targets do not work and there is no point having them. But let us give the Government the benefit of the doubt. They have recognised that the targets that were imposed were not necessary and they are removing them. That will result in an extra 260,000 hours of police time. If we accept what the Government have said this week, police officers will have an extra 30 minutes a day out of the police station and out on the beat, in Northampton, in Leicester and in London—where we would like to see them and so that we can justify all the additional money that we have spent on the police service. If that is the Government's direction, I welcome it wholeheartedly. If it means more officers on the beat and not filling in forms, hooray for that.

My concern, as I raised with the Home Secretary, was the report in *The Times* today and the comments made by Dr. Timothy Brain, who is supposed to be the leading expert—and with a name like that, one would imagine that he would be—for the Association of Chief Police Officers on finance. That chief constable told the newspaper that, as a result of what the Government have done over the past few years, he will have to cut the number of police officers in his force in Gloucestershire by 60. The newspaper telephoned other chief constables to ask them what the reduction will be in their area. In Suffolk—I choose that county off the top of my head—we are told that the reduction will be 28 officers.

The fact is that we need an independent audit to prove who is right. The Government assert that more money has been spent on the police force than at any time in its history. But Dr. Brain and other chief constables readily tell newspapers that they will have to reduce the number of officers as a result of what the Government have done. These are serious matters, and they go to the heart of the point made by the hon. Member for Eastleigh. Let us be clear about those statistics. Let us monitor them independently, so that we can have a real debate about substance and policy, rather than about whose statistics are correct.

Chris Huhne: Does the right hon. Gentleman agree that the situation that he sets out is of particular concern at a time when we know that we can expect—and are beginning to see—a rise in acquisitive crime because of the impact of the recession? This is not the time to remove police officers from the front line.

Keith Vaz: The hon. Gentleman is absolutely right. This is the worst time to do that, and I do not think that it will happen. Given the Government's figures, the introduction of PCSOs and the proposals to reduce bureaucracy, what will police officers do if they do not need to fill in unnecessary forms and will be resourced as they have never been resourced before? In those circumstances, there should be no reduction in the number of police officers.

My second point is about new technology. I welcome what the Government have done in making a commitment to put in an extra £18 million for new technology, and that is precisely what the Home Affairs Committee called for—I see two members of the Committee in their places. "Policing for the 21st Century" was a unanimous report. We took evidence for over nine months from witnesses including Sir Ronnie Flanagan and Ministers, and we came to the conclusion that new technology would save police officers enormous amounts of time. The investment in new technology should be warmly welcomed, with the caveat suggested by Jan Berry in her report about the need for compatibility between police forces. There is no point in Lincolnshire buying one type of equipment if it is incompatible with the equipment that is purchased by Leicestershire. I suggest that Ministers, as well as providing the money, should introduce effective guidelines on procurement to ensure that when police forces buy new technology and equipment, it is compatible with other areas. That matter is connected to the database issue and the need to ensure that when the computers of the 42 different police authorities speak to each other, they are able to understand what is required.

We welcome the desire to reduce the level of bureaucracy in the requests for information between police forces, and from the Home Office, but it is essential that the new technology works and is compatible. I do not suggest that everyone should buy a BlackBerry, although I know that several hon. Members have one, as does the President of the United States, but it is estimated that such devices cost only £1 a day—*[Interruption.]* I see that the hon. Member for Eastleigh is checking his BlackBerry—*[Interruption.]* I apologise—I did not mean to get him into trouble. The fact is that they are very useful pieces of equipment. Imagine a police officer at the scene of a crime being able to access information from his or her BlackBerry, taking down statements there and then, and saving time.

Tom Brake (Carshalton and Wallington) (LD): Does the right hon. Gentleman agree that while technology is very important, the accompanying training is equally important? So although the Government have announced that Tasers will be made available—I am not very happy about that—the forces will have to pick up the training costs associated. Those costs should be covered, if the introduction is to be effective.

Keith Vaz: The hon. Gentleman is right. We do not know what will happen next year, but if I were to decide to join the police force, I would need a great deal of

training in using equipment. Without training and support, new equipment is meaningless. However, there are examples of good practice all over the country. In Bedfordshire, the introduction of personal digital assistants—PDAs—meant that police officers spent 46 per cent. more time out of their stations. So there is every reason to support the introduction of better equipment and to give all officers access to it. It is not sufficient to allow some officers to have such equipment. If it is decided that it will be useful, everyone should have it.

Finally, because I know that other hon. Members wish to participate in the debate—*[Interruption.]* I am happy to hear from all hon. Members on this issue, because it is one that we should debate on many more occasions than we do. I have a problem with grounding rules, or however the hon. Member for Epsom and Ewell describes his new proposals, because they would need to be monitored. I am not saying that the suggestion is bad because it was mooted by the shadow Home Secretary. I am saying that we need to be very careful about how we use such powers. It is of course important to take up fresh ideas, but if we merely take young people off the streets and confine them to their homes, they will still have to be monitored regularly by the police.

I was very interested to hear what my hon. Friend the Member for Knowsley, South (Mr. O'Hara) said about what is happening on Merseyside with Operation Staysafe. Indeed, there is not that much difference between what is happening there and the Opposition's proposals for curfews. I am not against the principle of curfews, but we should consider their use carefully to ensure that police time, although not necessarily the money, is costed. If we are saving the police time in terms of cutting bureaucracy, we need to ensure that that time is used effectively. I hope that when the proposals are fleshed out, we will know the result of that analysis. If the proposals turn out to be good, the Government should accept them—we should be able to build on fresh, new ideas that will benefit people.

We have just come to the end of our inquiry on knife crime, and the Select Committee took evidence today from a number of witnesses. In private session, we took evidence from a number of young people involved in knife crime who have now been helped by the Prince's Trust. We then took public evidence from the director of the Howard League for Penal Reform, who, in an interesting statement to the Committee, said that the criminal justice system was the most expensive blunt instrument that we can use to reduce the level of crime. She was basically saying that by the time somebody got to be a statistic, it was far too late, and that we needed early intervention to prevent that from happening.

I know that the statement made by the former Prime Minister about being tough on crime and tough on the causes of crime causes some merriment among the Opposition, but I say to the Government that it is important that we consider the causes and the investment that we can make in providing assistance to those in our education system and our schools, to those who have been excluded and to those in bad housing. It is important that we consider the huge issues that we do not want to tackle, because we are politicians, and the Home Secretary, in particular, has to make instant decisions and provide the public with an instant panacea to deal with the huge problem of the underlying causes of crime.

Of course, we are getting to the end of this Parliament, with about a year and a half to go before there will be a general election. Perhaps we should have tried to work on this problem sooner, but it is incumbent on the Government and on Ministers, who are listening carefully to what I am saying, to consider the long-term solutions even at this stage, with a year and a bit to go until the end of the Parliament. They should set in stone the values and principles for the future. We are all against an increase in crime, we all want to see more bobbies on the beat and we all want to get value for money. Those issues unite everyone, but communicating the fundamental values to the public so that they can be discussed is important. That is why one of the overlooked recommendations of the Select Committee was that we should have a royal commission into policing to consider why we have police officers, what they do, Parliament's vision for them and how they fit with the law and order issues that we discuss. In grappling with the short-term problems of crime—those problems are clearly short-term, as crime happens daily, hourly and every minute—will the Government also use the opportunity to consider the long term and to lay the foundation stones that will make this society much safer?

6.13 pm

Mr. Humfrey Malins (Woking) (Con): As always in these debates, I begin by declaring an interest as a lawyer by background, a part-time district judge and a Crown court recorder. I hope tonight that I am speaking with some experience of the criminal justice system.

I want to focus on some problem areas and, I think, some solutions. One day 10 or 12 years ago when I was visiting a young offenders institution—in Kent, I think it was—I met a 19-year-old young man, in a cell, looking depressed, tired and drawn. Incidentally, he spent 17 hours a day banged up in his cell. I asked him what he was doing there and he said, "I am here for driving while disqualified." "What's the problem?" I said, "Are you a bad driver? Do you speed? Do you drive dangerously? Do you nick cars? What on earth is wrong with your driving?" "Nothing's wrong," he said, "My driving is good. I'm perfectly okay, but I don't have a driving licence so I get disqualified." "So," I said, "Get a driving licence." It was not unreasonable of me to say that. "But I can't," he said. I asked why not and he replied, "Because I would have to take the theory test." "What's the problem with the theory test?" I said. "I can't pass it, because I can't read and write." That got me thinking—and I have thought ever since—about the link between crime and literacy.

That is the link for young children from some of the worst sink estates in London and elsewhere. At school, they get behind and begin to fail. Then, because they fail, they cannot keep up with their peers and get angry and bad-tempered. When things go wrong, they are excluded because of their poor performance, and they are out on the streets, where they commit crimes, which leads to their being locked up. There is a link between levels of literacy and school exclusions, and between school exclusions and crime.

My thoughts have been backed up by an inspectorate of prisons report, which said that some 83 per cent. of boys under 18 in custody had been excluded from school. An even more astonishing figure was given to me by the Ministry of Justice: 52 per cent. of young

[Mr. Humfrey Malins]

men in custody—boys up to the age of 21—had been permanently excluded from school. There is surely a link—I hope that the House will understand this—between literacy and numeracy, school exclusions and crime.

I want to focus for a few minutes on the young offender estate—the prison estate that holds youngsters aged from 13 to 21—and to tell the House a little about my experiences. I talk to many people who work in the young offender estate and ask about the levels of literacy among the boys who arrive at the ages of 13, 14, 15 and 16. One senior official told me that in his judgment, which is backed by many others at that young offenders institution, more than 80 per cent. of the youngsters admitted at the age of 15 had the literacy and numeracy level of an eight-year-old or of someone even younger. What the devil does that mean? It means that there are 15 and 16-year-old boys who basically cannot read or write. They cannot cope, and that has led to frustration and anger. I am not saying that that covers the whole scene, but it is a problem and it greatly troubles the young offender estate.

What value for money do we get from our young offender estate? What does it cost? The average cost of putting a youngster into the young offender prison estate is £33,000 a year. That is what it costs us. In Feltham A and Feltham B, which are the two young offenders institutions in Feltham, it costs £42,000 for the year. That is a lot of money, and what do we get in value for money? What about the reoffending rates? They are absolutely mind-boggling. Official Government figures show that 16 and 17-year-olds who are released from custody have, respectively, an 80 and 70 per cent. chance of reoffending within a year of release.

David T.C. Davies: My hon. Friend is making a powerful point, but should we not take into account the cost of that reoffending? Would it not often be cheaper, in simple financial terms, to keep somebody in Feltham at £33,000 than to have them committing one offence after another on the streets of London?

Mr. Malins: I will to come to that. Value for money, for me, means that people come out of Feltham, or anywhere else, and do not reoffend. That, I think, is what will save money.

Worse still, Government figures show that the 80 per cent. of those released who reoffend within one year do so, on average, four times in that year. Given that people are caught only once in every eight crimes that they commit, nobody can doubt the fact that, in effect, those youngsters are coming out and committing 30 or 40 crimes in their first year. At a cost of £33,000 a year, that is failure on a grand scale.

What are my remedies and solutions, if any? I have a few, which I want to draw to the attention of the House, and the first relates to literacy and numeracy. When someone arrives at a young offenders institution, on day one—I do not mean month one; I mean day one—a complete assessment of their educational position hitherto and their achievements should be undertaken. If they have been statemented, a full copy of the statement, binding on the prison, should be provided, and the prison should act upon it. Straightaway after that, a plan for that individual offender should be drawn up, showing what he or she must achieve in their time in that young offenders institution.

I wonder whether hon. Members know how many hours a week people in young offenders institutions spend on education. Would they think that it was six hours a day? Six hours a day spent in education would be fair enough. I will tell hon. Members the answer: Feltham, seven and a half hours a week; Glen Parva, five hours a week; Reading, five hours a week; Aylesbury, six hours a week; and Rochester, three and a half hours a week. Will someone tell me that that is good news? It is not.

What about being locked up in the cells? How long does one feel that it is a great idea to lock up a young man in a cell each day? Would six, eight, nine or 10 hours be right? Let us look at the figures; they are depressing. At Aylesbury, young people are locked up in the cells for 17 hours a day. That is horrific. What does it do? At Reading, they are locked up for 16.5 hours.

What about sport? I am old-fashioned, but I reckon that hon. Members on both sides of the House recognise the value of sport, activity and physical work. I do not just mean PE in a gymnasium. A lot of those young people are pushing iron all day, or half the day or for a couple of hours, and according to the powers that be, all that does is make them stronger, and they can run away faster. No, I am talking about sport, out on the field in the open air. I met a young man who had not seen daylight in four months at a young offenders institution. Where is the sport? How many hours are spent on sport—real sport, team sport and active sport? Does sport help to develop character? I think that it does. People in our young offender estate are doing two or three hours a week on average.

Perhaps I am a little fanciful when I say that the Duke of Edinburgh award scheme is terrific. It is my pet hobby. I met an employer who interviewed everyone who came to him who had done the DOE. It is not done enough—barely at all—at places such as Feltham, Portland and other institutions. There have been only one or two bronze awards in the past six years, out of hundreds of young men going through the system.

Here is a revolutionary idea: I really believe that education—literacy and numeracy—is vital, which to me means that short sentences of six, eight or 10 weeks are a waste of time. We cannot do anything with a youngster in that period. All the judges whom I have spoken to say, "For goodness' sake, put them away for nine months, because then you can make some real advances. If a crime is not serious enough for nine months inside, don't bother. Don't faff around"—I am not sure how *Hansard* will take that word—"with six weeks, because it's a revolving door; they are straight out, having laid low, and they come out no better."

Mr. Edward Timpson (Crewe and Nantwich) (Con): Does my hon. Friend agree that one of the other barriers to the prevention of young offenders reoffending is the fact that about a third of them have been through the care system and that there is no statutory requirement for a social worker to visit them while they are in custody, to try to work with them towards a package of rehabilitation, to ensure that they do not reoffend when they come out and find themselves back where they started?

Mr. Malins: My hon. Friend makes a valid point and anticipates a subject that I shall come to in my closing words. He is right.

In our young offenders institutions, we must focus on literacy and numeracy, but what else? Here is my nuts-and-bolts idea: in the last quarter of the sentence, all youngsters should be moved into a specific resettlement wing. What will happen then? The family will get more involved. Huge amounts of work will be done to arrange housing on release. It is no good leaving a young offenders institution in Surrey and being sent off to bed and breakfast in Slough at the age of 16. What is going on? Resettlement is the name of the game, coupled with the absolute requirement of going into a job. Education on release, housing on release, job on release—those are the things.

I went to Oakhill young offenders institution, where not one of the youngsters—both boys and girls aged 15, 16 and 17—who had done hairdressing had reoffended after two years of leaving. Oh yes, we can lock them up for ever if we want, but let us get the children literate, get them numerate, get them adding up and subtracting, get them to have a bit of pride, get them fit and well and give them a purpose. Let us give them a little remission, but it should be based on positive, excellent behaviour and real achievement, not just on sitting on their backsides or joining a gang. Let us focus on resettling them into the community, not back where they came from, but into a job or education. Let us put money into that. If we put money into it, we will save quite a lot of money in the long term, and we will be doing absolutely the right thing.

6.25 pm

David T.C. Davies (Monmouth) (Con): I, too, declare an interest as a special constable and a member of the Home Affairs Committee.

Virtually anyone who takes an interest in justice and home affairs would agree that the crime figures have gone up—unless, of course, they happen to work in the Home Office. But even Home Office Ministers now admit that crime is likely to increase over the next few years as a result of the recession, so we are certainly agreed on that. I personally think that it is very difficult to trust the statistics, whether one uses the recorded crime figures or the British crime survey, which is little more than an opinion poll. It does not take into account crimes committed on people under the age of 16 or property offences, and drug offences are unlikely to show up. So a gamut of offences is unlikely to show up, and the people behind the survey are simply asking a small sample of people, rather than the entire population, to give their opinions about crime, so it is as accurate at best as a political opinion poll. Recorded crime statistics are no real gauge either, because much of the violent crime that takes place on Britain's streets is carried out between young people, who very often do not report it, even if they are the victims.

If the Government want to get an idea of what is really going on, they could do a lot worse than to ask someone such as Cherie Blair, who has undertaken work with the Street Weapons Commission and found out that the number of people with knife wounds who enter accident and emergency units has gone up by 85 per cent. over the past five years. However, most of those crimes will not be reported to the police, because there is no obligation on hospitals to do so. One of the best things that the Government could do is to ensure that information on anyone who goes into hospital, showing signs of having been either beaten up or stabbed, should be passed to the police. Not only would that help to tackle gang violence, but it could be used to help to tackle the curse of domestic violence.

Mr. Woolas *rose—*

David T.C. Davies: I am happy to give way, unlike the Home Secretary.

Mr. Woolas: The hon. Gentleman is making an interesting speech. The statistics on A and E admissions and knife crime were, of course, at the centre of the controversy, but we felt that it was right to publish those figures, because of the point that he is making.

David T.C. Davies: The Government are right to publish those figures. Some good work is being done by the Government at the moment, and I will come to that before I make too many criticisms, but I shall first return to the picture of crime and follow some of the comments made by my hon. Friend the Member for Woking (Mr. Malins).

All sorts of reasons are given about why crime is so high—as another hon. Member said, it is certainly too high—but I do not accept that poverty is one of them. Of course, one can find a statistical link between poverty and crime, but simply not having money does not cause people to commit crime. Happily, I come from a reasonably comfortable background, although perhaps not as privileged as some. My mother was a miner's daughter. She grew up in relative poverty. She says that there was hardly any crime in her community. My wife is from a family of agricultural labourers in eastern Europe. They live in a block of flats, where there is no crime, no graffiti and people are nice to one another.

What causes crime? Although this sounds a little old-fashioned, I think that the cause in many cases is a lack of proper family structure, but I take issue with people who talk about single-parent mothers. Such comments are lazy and an insult to the vast majority of people who do an excellent job in bringing up their children. I would never use that term, and I hope that other Members would not use it either. However, we ought to be honest enough to admit that there is a problem in some estates that have high levels of poverty with young people who become pregnant. If we ever talk about single-parent mothers, let us admit that it takes two to tango; there is a single father somewhere who has behaved in an irresponsible fashion.

We in this Chamber all have relatively comfortable lives and are responsible people, but we all know how difficult it is to get our children to say please and thank you, and to mind their manners. How much harder will that be for somebody with very little education and money who lives on a difficult estate? It will be impossible. Sadly, children who grow up surrounded by crime, drugs and benefits are likely to fall into the system. I do not know whether I put that tactfully enough, but it is true and we all know it. We should be able to address that.

We need to do more to support schools. It is a cliché, but by the time people are in the clutches of the police, it is too late. We need to be able to tackle bad behaviour before things get that far. That is why we should be doing more to support schools that want to take disciplinary

[David T.C. Davies]

measures against pupils—and not just pupils who walk in carrying knives, or who assault teachers, but pupils who walk in without their top button done up, or not wearing the proper uniform. That way, children will know that there are boundaries and things that they cannot do, and that if they transgress those boundaries, there will be consequences. That message does not get through at the moment.

I have some experience of the police, and experience of some of the good things that the Government are doing. I do not want to be critical all the time; there are Government initiatives that I fully support. For example, I support greater use of the Taser. I saw the most ludicrous Liberal Democrat press release this morning. It refers to "Taser guns". Clearly, the Liberal Democrats are not aware that a Taser is not a gun at all; it is not a firearm, in the sense that it does not fire a projectile bullet. A Taser is far less dangerous than the baton that all police officers carry. That is why it is possible for police officers to fire a Taser at each other to experience the effects. Nobody in their right mind would stand there while somebody hit them with a police-issue baton, which could be absolutely lethal if it caught somebody in the wrong place. I notice that the press release refers to "children". In their inconsistent fashion, the Liberal Democrats refer to "children" whenever somebody aged between 16 and 18 is involved in the criminal justice system, but to "adults" when coming forward with other ludicrous policies, such as giving voting rights to 16-year-olds, a subject that we will not go into now.

Tom Brake: Will the hon. Gentleman give way?

David T.C. Davies: I could not say no, could I?

Tom Brake: I could not stand it any longer; I had to intervene. May I recommend that the hon. Gentleman look at Amnesty International's report on the use of Tasers, and that he consider, in particular, the number of people who have died as a result of being tasered but who did not present a real danger or threat?

David T.C. Davies: I have looked at the Amnesty report, which deals, I think, with America. America has a very different system of policing from the United Kingdom and any other western European state. It is not a system of policing that I would recommend. If Amnesty were to consider the issue in context, it would have to look into how many people would have been shot dead with a bullet by American police officers had Tasers not been available to them. If a 16 or 17-year-old armed with a knife, and possibly high on drugs, came towards the hon. Gentleman, and the only person in the way was a police officer, I think that the hon. Gentleman would prefer the police officer to have a Taser than to rely on gas or anything else.

Of course, the training given to police officers who use Tasers is extensive. First and foremost, however, they are trained not to use them, but simply to show them. When the press release refers to hundreds of people being

"exposed to the use of Taser",

it includes cases in which the police officer has shown somebody who is acting violently that the Taser is there and is an option, but has not actually used it. In any case, Tasers all have microphones, which means that the chances of them being misused in this country are very slight indeed. The Government are absolutely right on the issue, and they went about things in the right way; they used a pilot study, and have allowed chief constables to decide on the subject for themselves.

Willie Rennie (Dunfermline and West Fife) (LD): As the hon. Gentleman thinks that Tasers are such tame weapons, will he volunteer to be tasered?

David T.C. Davies: I would be happy to do so if the hon. Gentleman let somebody wallop him over the head with a baton; that is the alternative that police officers have at the moment.

What the Government have done on forms is quite good. The stop-and-account form is going, but there is more that they could do. The stop and search form is still very lengthy. I accept that there are situations in which it needs to be fully filled in, but when members of the public are stopped and subjected to a random search under section 44 of the Terrorism Act 2000, often the problem is not so much that they find the search intrusive; it is more that they are irritated about the fact that they have to stand around for five or 10 minutes while the police officer takes down all sorts of information, which is often unnecessary. That delays them in getting to where they want to go. The search that is usually carried out is no different to the one that we all experience when we go into an airport. The public are getting used to the idea that a quick frisk is sometimes necessary for their own safety. The issue is the length of the form and the fact that the public are not aware that they do not have to wait for the police officer to fill it all in. Police officers should be encouraged to say, "You don't have to wait, but if you want a record of the search, I am happy to get it for you."

As I have mentioned before, it is inconsistent that police officers who stop people who are committing offences, who simply wish to talk to a person, or who detain a person so that they can be summonsed for a revenue offence, cannot carry out a quick search. Very often, those people are involved in criminality, and I would change the Police and Criminal Evidence Act 1984 to allow that to happen. If the Minister for Borders and Immigration wants to make a quick hit and get rid of a whole load of paperwork, he could give the British Transport police the power to issue penalty notices for disorder for revenue offences. Transport for London can do so, but the police cannot, which means that they have to get through a whole load of paperwork if they want to prosecute somebody for such an offence.

To return to the big picture, the problem is not the number of police officers. There are adequate numbers of police officers. The problem is that a small number of people commit so much crime that they take up all the time that should be available to police officers. In 2003, the Carter report suggested that half of all crime in this country is carried out by about 100,000 people, of whom only 15,000 are in prison at any particular time. Every police officer meets those people almost daily. They are arrested; two officers take them to a police station; a whole laborious process is gone through; the

person is bailed and is then back out on the streets, and carries out further offences on the following day. That is why we need not more police officers, but more prison officers and prisons.

I do not accept the comments made about the cost of keeping people in prison. The cost of keeping somebody in a category D prison is about £25,000 a year. Most of the people who go to those prisons are on benefits. It was not I who brought up the issue of cost, but other Members have done so. The net cost of keeping somebody in prison is far cheaper than people realise. I believe that the net cost to the taxpayer of keeping somebody in a category D prison is not more than about £10,000 a year. The cost of keeping them out on the streets committing one offence after another is absolutely horrendous. It is also a huge burden on police time.

I agree with the comments made by my hon. Friend the Member for Woking. There are two prisons in my constituency, which I have visited. I have also visited other prisons with the Home Affairs Committee. There is nothing like as much work going on in those prisons to help offenders as there could be. What I propose is not dissimilar to what my hon. Friend suggested. Yes, we should put people in prison, and make it clear to them that they should serve their sentence in full. It is a disgrace that somebody given four years in prison could be out in one year and seven months under some sort of early release scheme, and that somebody sentenced to a year in prison will be out after just three months.

One of the reasons why reoffending is so high is that prison is not seen as any sort of deterrent. A Faustian pact is made; because people are usually in prison for only a couple of months, the authorities effectively say, "Give us a quiet life and you can have your PlayStation and your television. Just don't cause us any trouble," so people spend all their time in their cells. We should get people out of their cells and get them working. We should give them practical skills. That is what happens in prisons such as Usk, which deals with special types of offenders. We should get that sort of culture into all prisons, particularly those dealing with younger people. Remission should not be automatic. Indeed, I am opposed in general to any form of early release. However, if we are to have early release, I would make it conditional on people getting rudimentary educational skills, passing exams and getting some sort of vocational skill that could give them a chance to work in the real world. Unless we start to tackle what goes on in the justice system, crime will continue to rise, and the police will find it harder and harder to cope.

6.39 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): I am delighted to be able to participate in this important debate. May I start by saying how embarrassed I am that more colleagues are not present in the Chamber to discuss these important issues? I count just one Labour Back Bencher and one Liberal Democrat Back Bencher, who has just turned up. That is an embarrassment to the Chamber, and to the House of Commons. We should show the country a bit more honour when dealing with these issues.

The first objective of any Government is the maintenance of law and order. Without it there is no trust, no stability and no basis for a civil democratic society to develop. I remind the House of a definition of law and order. It is a state of society where the vast majority of the population respect the rule of law, and where the law enforcement agencies observe laws that limit their powers.

The Government's obligations are, first, to ensure that the appropriate laws are passed, and to allow the police and the courts to carry out their business fairly. The second objective is to provide the funds to ensure that there are sufficient resources for that to happen, for if law is poorly written or insufficient, it can be exploited by criminal elements. If law is too restrictive, it can place limitations on individual freedoms. Aside from the dictatorial tendencies that that can produce, it can hinder the free market and the potential prosperity of a nation.

With insufficient funding, police cannot enforce the law or train to understand the new challenges that we face—for example, cyberfraud and terrorism, neither of which has been mentioned in the debate. Cuts in front-line policing are likely to take place. We have heard that time and again from the constabularies. The reason is the recession that we are going through, which brings with it a wave of crime. Large numbers of police forces, unfortunately, are planning to cut thousands of officers. That is the case because the Government do not understand the priorities. I understand that 19 of the 43 constabularies are being forced to cut the number of officers, and that is simply to do with money.

The budget that has been set for 2009-10 is causing these cuts, with forces having to agree settlements of 2.8 per cent. Twenty of the police forces throughout the country have received only a 2.5 per cent. increase. One of those forces is Dorset's. If we get only a 2.5 per cent. increase in our budget—*[Interruption.]* Does the Minister wish me to give way? I shall finish the point and gladly give way. If Dorset receives only 2.5 per cent., but has to meet a pay award of 2.6 per cent., it will clearly have to make budget cuts. It cannot pay the police salaries without a shortfall elsewhere. That is why there has to be a reduction in the police force. Does the Minister wish to respond? Silence.

Mr. Woolas: I caution the hon. Gentleman about using that tactic. First, if I have understood it correctly, his party's policy would result in a reduction in public expenditure, so the 2.5 per cent. that he mentions would presumably be less. Secondly, does he not acknowledge that the Government have provided above-inflation settlements for police authorities, including Dorset, and does he not further acknowledge in respect of his party leader's calls for devolution that there is a responsibility on the policy authority to balance its books?

Mr. Ellwood: I hate to educate the Minister, who is experienced, but he knows that I was prompting him to answer my question. Instead, he posed three of his own questions, so I go back to the point. If the police are given an increase of only 2.5 per cent. when they have to pay salary increases of 2.6 per cent., there will be cuts. That is exactly what has happened in Dorset, which has one of the best performing but worst funded police forces in the country. We lost 13 officers last year and we are about to lose another 50 posts. That is all because of the cuts.

[Mr. Ellwood]

About 20,000 tourists visit Bournemouth on a Friday or Saturday night. Is tourism considered in the manning formula? No. All the police working in Bournemouth have to focus on half a square mile in our town centre because no extra support is given to help the police deal with the influx of 20,000 visitors. We in Dorset are glad to host the Weymouth sailing events, but has one extra penny been provided to meet the extra security requirements for such events? Not one. That is another source of pressure on our police, making them resort to cuts.

As has been mentioned a number of times, law and order is not just about policing. It is also about a way of life and a set of values. Law and order exists to catch those who behave in an unacceptable way, but it should also be about teaching values that prevent somebody from choosing to break the law. Why not prevent criminal tendencies from developing at an early age and stop people committing crime when they get older?

I pay tribute to the Dorset Life Education bus. That organisation goes around schools teaching kids the difference between right and wrong, and good and bad, making them confront issues and talk about challenges that they may face in future which might take them into a world of petty crime and lead to further crime in their later lives. Unfortunately, that great initiative will have its budget cut because there is not enough money coming from Government. I would be grateful if the Minister looked into that, as the organisation provides an important means of preventing crime and teaching young people.

Role models have changed so much since I grew up, and certainly since my parents and grandparents grew up. In the absence of proper role models, perhaps as a result of broken families, people look at their television screens, see a premier league football player go up and swear at a referee, and they think that that is how to deal with authority. That is appalling. When they are out on the street and see authority—a policeman, for example—they respond in the same way. We need initiatives to prevent children growing up with such bad habits.

Statistics have been bandied about in the debate. Cautions are up by 28 per cent. A gun crime is committed every hour in England and Wales, and a knife crime every half an hour. An ASBO is seen as a badge of honour, and we have one of the highest rates of cannabis use in Europe. We also have one of the highest levels of antisocial behaviour, and the highest rate of teenage pregnancy in Europe.

My hon. Friend the Member for Monmouth (David T.C. Davies) spoke about the importance of prisons and rehabilitation, and the fact that so many people are going to prison and not getting the rehabilitation that they need. It is a horrifying statistic that 92 per cent. of those who go to prison for less than one year reoffend immediately, and about half of all prisoners reoffend. That suggests that they are not being rehabilitated and given the opportunity to do something better with their lives. They are not particularly good at crime as they keep getting caught, but they are never given the chance to do something else. The Government must address that. Instead, they are locking more people up in Titan prisons. There is not enough talk about what happens when prisoners spend time behind bars.

Time is short, but let us consider other aspects of Labour policy. Extended licensing hours have been mentioned. They have caused a 22 per cent. increase in crime between 3 am and 6 am. Our police have to stay on duty for longer hours and do overtime. That costs Dorset constabulary more money, which is why there is pressure to cut the number of posts. We have heard a lot about the statistics, but I would like to see greater clarity instead of the two systems that we have—police reported crime and the British crime survey. Let us agree on one set of statistics, rather than the embarrassing interchange of statistics.

We have heard about the important role of police community support officers. I do not doubt that they play an important role, but in Bournemouth, as in every other part of the country, they go to bed at 10 pm. They go off the streets at just the time that Bournemouth starts to get quite vibrant. When our town centres start to pick up, extra eyes and ears are needed. Police community support officers are fine, but why not encourage more special constables? I was in the Regular Army, and I was delighted to see my companions coming from the Territorial Army to boost us when we required support. Why not emulate what my hon. Friend the Member for Monmouth is doing? Constabularies should be allowed to have as many special officers as they like, because on the big nights—Friday, Saturday and football nights—they need extra police officers, and that is when they could use people who serve part time. Such people need to make ends meet and cannot serve on a voluntary basis, as special constables are made to do at present.

I do not have time to speak about the important subject of the terrorist threats that we face, which I do not believe our police are able to contend with because of the deluge of other pressures upon them.

Between 1997 and 2009, the police budget has increased by 40 per cent., yet there has been only an 11 per cent. increase in the number of police on the front line—and the number of those police officers, of course, is now being cut. We have heard that 66 pieces of legislation have been introduced, yet there has been little public confidence in the criminal justice system; there is certainly little faith in our prison rehabilitation system.

The phrase "Tough on crime, tough on the causes of crime" was spoken in a conference speech in 1997. How ironic that, 10 years later, the current Prime Minister said in a conference speech that we should punish crime and prevent it by dealing with the root causes. That is saying exactly the same in different words, and it shows that 10 years later the Government are still saying the same thing. The job has not been done.

The Government are failing, first, to create the appropriate law and, secondly, to fund the police to enforce the law. Is it any wonder that the majority of us do not feel as safe as we would like in our homes and towns? That is not how the majority of us want to live. We need a new approach to law and order. The Government have had their chance; it is now time for a general election and for the electorate to decide.

6.51 pm

Mr. Edward O'Hara (Knowsley, South) (Lab): I welcome this debate because it defines the division between the Government and the Opposition on law and order. I declare an interest: I have two sons and a daughter-in-law who are police officers, so I live with the reality of policing in my day-to-day existence at home.

The hon. Member for Epsom and Ewell (Chris Grayling), who led for the Opposition, said much to no purpose about the cause—I deliberately use the singular—of crime: the "broken society". Let us for the sake of argument ignore the fatuity of the slogan "broken society", which belongs in the same glossary of meaningless political slogans as the "war on terror". Let us concede that society is broken: who broke it? It was the recently acknowledged heroine of the Leader of the Opposition. When in government, she said that there was no such thing as society and pursued policies based on that premise which had the effect of damaging the lives of the very citizens who make up society. We are still living with the consequences.

The hon. Member for Epsom and Ewell was light on the causes of the damage. That was because his party's policies then—and, as far as one can discern them, they will be its policies should it ever come back into government—prove it guilty as charged. What did the hon. Gentleman offer to tackle the problems? Not a word. What we need is action, and action requires resources. The Conservatives, of course, are committed to cutting resources. The hon. Member for Monmouth (David T.C. Davies) offered some interesting solutions, but they require resources. I assume that he will be in dialogue with the shadow Chancellor—perhaps that should be the shadow shadow Chancellor—about his proposals.

By contrast, the Government offer not gimmicks, as was the accusation, but action. On knife crime, they offer education together with enforcement, and it is effective. As was acknowledged by the hon. Member for Bournemouth, East (Mr. Ellwood), the Government have offered more police. They have offered more police community support officers, antisocial behaviour orders, social exclusion orders, spot fines and curfews. In my area, all those measures are being used to effect.

I referred to Operation Staysafe in my intervention; it would not be possible without police on the streets. I quote Deputy Chief Constable Bernard Lawson of Merseyside:

> "Despite the fact that many young people have never offended, youth crime and anti-social behaviour are major sources of public concern to neighbourhoods...Operation Staysafe allows the early intervention by police and support services with young people to prevent those youths becoming involved in criminal activity or becoming victims of crime themselves. It can help to identify reasons for the young person being on the street late at night and intervene where necessary to protect our most vulnerable."

That is practical action, and it has proved effective in Merseyside this past weekend.

Ms Celia Barlow (Hove) (Lab): Brighton and Hove also took part in Operation Staysafe at the weekend, and it proved effective. Having been out with the Sussex police youth team on Friday evenings, I can say that prevention in respect of kids being on the street can be very effective—for the children themselves, and for the local community.

Mr. O'Hara: That is a corroboration of my experience of the effectiveness of Operation Staysafe on Merseyside.

Things can be done only if police are on the beat. As I said, I have two sons who are regularly on the beat and they do not spend time indoors warming their toes. Indeed, I went inside the Arctic circle last weekend and I borrowed a pair of long johns from one of my sons. He needs them on long winter nights as he polices the streets of Liverpool.

The Opposition offer only cuts. I know what my community wants—not the Opposition's peculiar mixture of soft nostrums, toothless rhetoric and the hopelessness of slogans such as "broken society", which disguise their bankruptcy with regard to making society safe for our citizens. My community wants a Government who will work with and for our fellow citizens in tackling the antisocial behaviour that affects the quality of life that my fellow citizens deserve.

6.56 pm

Anne Main (St. Albans) (Con): In the few short minutes that I have, I should like to draw the Government's attention to Flycapture, a well-thought-out initiative that has unfortunately not been well executed. The Minister is frowning—perhaps for the same reason why many in my community have been frowning. Flycapture involves the central recording of fly-tipping in various constituencies. Fly-tipping blights many rural constituencies. With National Farmers Union representatives, I went to my local police county headquarters and attended a summit on this very matter. I find it disturbing that the county council, the police, the district council, the Gypsy and Traveller liaison officer and others involved in dealing with various aspects of fly-tipping clearance were unaware of the Flycapture system and unaware that there was central recording. Will the Government look into the system, roll out it out further and agree that local authorities need to come to a co-ordinated approach, so that we can crack down on rural crime and fly-tipping?

Many people in prisons have mental health issues—something that has not been particularly touched on in this debate. I am concerned that many in prison should have had much more care in the community and help with their mental health problems before they ended up there. When such people leave prison, they are often in a worse state than when they entered it. The Government should address that problem and ensure that resources go into communities to make sure that, as far as possible—as far as it can be controlled—it does not happen in future.

I should like to pay tribute to the Muslim community, particularly in St. Albans. It is looking at various issues, including minimising extremism, terrorism and the radicalisation of Muslim youths. I met Muslim leaders in my community on Friday. They are setting up Ummah UK, a community group to pull together Muslim groups, teach them about terrorism and extremism and how to resist it, and encourage them to resist the increasing use of drugs and alcohol that, unfortunately, dogs some ethnic minority communities. The group aims to work with the community to give a positive role model and promote positive activities. I congratulate the Muslim community in my area on looking to help policing in my community and on keeping its young people actively engaged with others there and with keeping their lives on track.

I, too, am concerned about the policing numbers reported in *The Times* today. I completely concur with those who have said that we need to have confidence that the figures are completely accurate.

6.59 pm

Mr. Crispin Blunt (Reigate) (Con): When the Home Secretary replied to my hon. Friend the Member for Epsom and Ewell (Chris Grayling), she remarked on the consistency of his remarks with a speech that he gave yesterday to the Local Government Association. Well, she is going to hear a consistent message from him. She began the substance of her remarks with a reply to a charge about gimmicks, which my hon. Friend had not made; some sensitivity there, I think. With a history of eye-catching initiatives, tsars of one sort or another and policing by press release substituting for a coherent approach, her sensitivity is hardly surprising. However, I enjoyed her quote from Sir John Major at the party conference in 1993, when he said that we should

"condemn a little more and understand a little less".

She is right to note that there has been a change of tone associated with the arrival of my hon. Friend as shadow Home Secretary.

The Liberal party spokesman helpfully made the case for early intervention, as in the proposal on grounding that my hon. Friend is developing. He and I, as new members of the shadow home affairs team, were flattered by the charge of being Napoleonic and Caesarist. I will allow him to choose which role model he would like to follow, and I will be happy to take the other.

The Chairman of the Home Affairs Committee was correct about the importance of this debate, and correct to be sceptical about the effectiveness of apparent police numbers. I noted that he agrees with us about the removal of targets from policing, for which we have been asking for a very long time.

It is always instructive to listen to my hon. Friend the Member for Woking (Mr. Malins), who presented extremely powerful and stark examples and statistics to the House. The failure to address educational opportunities in young offender institutions is a disaster in terms of value for money and opportunities missed for the people concerned. I commend to the House the exciting proposals to incentivise prison governors to make them accountable for reoffending rates. Our shadow justice team have some extremely interesting things to say about that, and the sooner they cease to be the shadow team and are able to put those things in place, the better.

My hon. Friend the Member for Monmouth (David T.C. Davies) delivered his usual robust message about boundaries and authority, with the benefit of his experience as a special constable and on the Home Affairs Committee. However, the Government do not need to take that message from him alone. He has strong support from the chief constable of South Wales, who said, in a conference that was supposed to be closed but from which her remarks ended up being reported:

"in many of our larger cities, in areas of extreme deprivation, there are almost feral groups of very angry young people...Many have experienced family breakdown, and in place of parental and family role models, the gang culture is now established. Tribal loyalty has replaced family loyalty and gang culture based on violence and drugs is a way of life."

She went on to deliver a damning critique of criminal justice policy, saying:

"in an age of cost-benefit analysis...there is no appetite for solutions that have no visible return and no patience for any which will not bear immediate political fruit."

We have heard in this debate the sorry catalogue of the Government's failure to deliver on law and order after nearly 12 years in office. Sixteen years after a young and ambitious shadow Home Secretary set out his analysis of the need to tackle crime and its causes, we see a society in which youth disorder is rife and violent crime up by a staggering 88 per cent. *[Interruption.]* It is not untrue. The Lord Chancellor should not intervene from a sedentary position, because these are his own Home Office statistics, about which there was an intervention on the Home Secretary. Perhaps he might choose to explain why more than 50 knife crimes are now being recorded every day, and fatal stabbings are up by a third, at an all-time high.

Tony Blair's most famous pledge—the one that marked him out as new Labour and helped him ride to the Labour leadership—was never delivered. What a contrast with the inheritance that Labour received. Tony Blair's then opposite number, my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard), was the first Home Secretary in decades to reverse the trend on rising crime. By force of will— and, of course, with the benefit of some pretty special advice—he changed the culture of the Home Office. In much the same way as, 10 years earlier, Baroness Thatcher challenged and changed the assumptions of the British establishment that their job was simply the civilised management of Britain's relative decline, my right hon. and learned Friend challenged and changed the perception of those at the Home Office that their job was simply to try to manage, as best one could, inevitably rising crime levels.

These lessons we have learned. That is why I suggest that right hon. and hon. Members pay careful attention to the comments of my hon. Friend the shadow Home Secretary, not only in introducing this debate but in the speech that he made yesterday to the Local Government Association. The remarks introducing him made by the Leader of the Opposition—the former special adviser to the last Conservative, and last successful, Home Secretary—also bear examination. Change is coming. Focus will be given to the Home Office and the police. Addressing the causes of crime will belong to the rest of Government; the Home Office will address crime. The police will be transformed from the centre, with a straightforward mission to fight crime and empowered by clear local accountability.

We have also learned what is not the answer. If legislative activism, money, eye-catching initiatives and bureaucratic accountability were the answer, it is inconceivable that the trend of falling crime inherited by this Government would not have continued. There have been 25 policing or crime Bills since 1997, with the latest major Bill, the Policing and Crime Bill, making its way through Committee as we speak. This endless stream of legislation might keep shadow Ministers engaged as they try to meet the challenge of getting up to speed with the latest legislative ideas in the much reduced time available to Parliament to examine them properly, but the overall effect has been highly doubtful. Such has been the blizzard of new legislation that it is well known that the judges are struggling to keep up. They are spending more time on legal refresher courses than ever before, with courts having to close as a result. If judges are struggling with this legislative blizzard, what on earth do Ministers think it is like for the police, who are expected to police the 3,000 new offences thus created?

During the economic good times, the Government failed to keep our streets safe or to provide the prisons required to lock up the criminals who stalk them. The gloomy economic outlook that we face today means that the challenges facing the police over the coming months will get worse. Indeed, as the then Minister of State at the Home Office, the right hon. Member for Harrow, East (Mr. McNulty), said in response to a leaked Home Office document, it is "blindingly obvious" that some aspects of crime increase in a period of recession. It was reported in *The Guardian* yesterday that Superintendent David Hartshorn, the head of the Metropolitan Police's public order branch—Britain's most senior police officer with responsibility for public order—raised the spectre of riots, with people who have lost their jobs, homes or savings becoming "foot soldiers" in a wave of potentially violent mass protests. Today, *The Times* highlights the fall in police numbers as the ugly reality of Government finance starts to make itself felt. The mismanagement of the economy, like the mismanagement of the police and criminal justice system, has left people more vulnerable to crime and left our society more vulnerable to social disorder.

The Government are no closer to delivering on crime today than when they first came to power. Whichever way Ministers spin figures on crime, it is clear that violent crime is up, robbery is up, gun crime has nearly doubled and knife crime is on the rise, with fatal stabbings at an all-time high. Labour has failed to empower the police to tackle the criminals, and has left some of our town centres virtual no-go areas for law-abiding citizens. Instead, despite years of criticism from the police and from the Opposition, the police are still spending a fifth of their working day dealing with paperwork. Talk about wasting police time! The huge growth in the use of discretionary cautions means that when police officers do encounter criminals, it is far less likely that the criminal will ever end up in a court, let alone a prison cell. Despite all the rhetoric on knife crime, the Government still refuse to apply a presumption that carrying a knife will mean a prison sentence. Despite initiative after initiative and an unprecedented volume of criminal justice legislation, the net result after 12 years of this Government is that people feel less safe, in parts of our country antisocial behaviour has become the norm, and the innocent citizen feels that his own liberties have been curtailed to no useful purpose.

It is time for a Government who are serious about tackling crime head on by releasing police officers to deal with the criminals, and time to mend the broken society that has allowed criminal behaviour to become endemic in our towns and cities. I commend the motion in the name of my hon. Friend the Member for Epsom and Ewell, who, in speaking to the Local Government Association yesterday and in the House today, has demonstrated that he will be a worthy successor to the last Home Secretary who turned back the tide on crime—another inheritance that has been so scandalously squandered by this wretched and unhappy Government.

7.9 pm

The Minister for Borders and Immigration (Mr. Phil Woolas): Is it my turn now, Mr. Deputy Speaker? My apologies for not being quick to get to my feet, but I was listening to the speech by the hon. Member for Reigate (Mr. Blunt) with some sadness. I shall explain why, but before I do so, I pass on apologies from the Minister for Security, Counter-Terrorism, Crime and Policing, and the Under-Secretary of State for the Home Department, my hon. Friend the Member for Tynemouth (Mr. Campbell) who could not be at the Dispatch Box because of Committee duties. That is why you will have to put up with me this evening, Mr. Deputy Speaker.

I was looking forward to this debate because I thought that I would find out about the views of hon. Members across the House, and the views of those on the Opposition Front Bench. We did achieve the former, and we heard some very thoughtful speeches, to which I will respond in a moment—but sadly, what we heard from the Opposition Front Bench was a repeat of a speech that was delivered yesterday. I do not know what the rules and procedure of the House are concerning informing the House first, but if we have an Opposition debate it is important that we find out something new, instead of the single transferable speech that we heard, not from the Liberal Democrats, but from the hon. Member for the front page—sorry, the Front Bench.

Chris Grayling: You've used that joke before as well.

Mr. Woolas: Yes, and it was funny then, and it is funny now. I am going to keep on using it, because it is obviously hitting home.

The hon. Member for Eastleigh (Chris Huhne) made a thoughtful speech. He described our procedures as a legal whirling dervish. He described the shadow Home Secretary as dangerously Napoleonic and Caesarist—language often heard in "The Dog and Duck" in Eastleigh, I am sure—and he accused my right hon. Friend the Home Secretary of populist punitiveness. I can assure the House, having worked closely alongside the Home Secretary, that she does not go in for populist punitiveness. She has yet to tell me what it means, but I am sure that it was well intended.

The right hon. Member for Leicester, East (Keith Vaz), the Chairman of the Home Affairs Committee, made a thoughtful speech on the analysis—*[Interruption.]* My right hon. Friend is in his place, as he always is. He made a thoughtful analysis of the figures on police numbers, and got behind those figures to the issue of the allocation of police time, which is the really important point. The figures that he pointed out with regard to Gloucestershire and other police authorities were important. He talked about equipment compatibility, and I assure him that the National Police Improvement Agency is looking at that issue. He raised the case of Lincolnshire, in particular. We also thank my right hon. Friend for his Committee's report, and his work on early intervention is important. This was one of the biggest gaps in the speech of the shadow Home Secretary. I was looking forward to his analysis of the causes of crime, but detail on that subject was thin on the ground. The Chairman of the Select Committee, on the other hand, gave us a thoughtful analysis of early intervention.

The hon. Member for Woking (Mr. Malins) gave an extremely interesting speech, clearly based on his experience. He put forward practical solutions focusing on how people in custody, particularly young men—he was right to refer to them—should be given more instruction, education and opportunities when they leave custody. There was a strange coming together of his ideas and those of the hon. Member for Monmouth (David T.C. Davies), who spoke from his experience of being a special constable. On these Benches, we recognise and

[Mr. Woolas]

applaud him for that, despite our party political differences. It is good for Parliament that Members undertake such duties, and there are Members in our party who do so as well. There was an interesting coming together of the two analyses. They were different in their premises, but similar in their conclusions, and they concerned what more can be done to give young men—not just young men, but those young men in particular—that added work experience. The hon. Member for Monmouth was good enough not to play yah-boo politics, which some have done in this debate, and to acknowledge the good things that have taken place. That gave his criticisms greater force, and we take those points on board.

The hon. Member for Bournemouth, East (Mr. Ellwood) stood up for his constituency by calling for more resources for Dorset, and I now turn to that point. The resources provided to Dorset police authority have gone up by 47 per cent. since 1997, which is a 12 per cent. increase in real terms. I will come to this morning's report in *The Times* in a moment, but police numbers in the hon. Gentleman's authority area have increased by 179, to 1,463 officers, under this Government.

Mr. Ellwood: Will the Minister give way?

Mr. Woolas: Could I move on? It is discourteous not to respond to all the points.

My hon. Friend the Member for Knowsley, South (Mr. O'Hara), given his family experience—his sons are police officers—quite rightly pointed out the rather trivial nature of the Opposition slogan "the broken society", which simply serves to talk down our country. This Government have never claimed that there are no problems in our society; of course there are—but my hon. Friend pointed out the end result of the Opposition's policy. Opposition Members should look in the mirror in the morning and ask themselves a question. If they talk about reining in the horns of the public sector and reducing public expenditure, they cannot in all credibility come to this House and call for measures that would involve more resources, or criticise us for not providing them—*[Interruption.]* From a sedentary position, the hon. Member for Blaby (Mr. Robathan) says that they can do that, because they are in opposition.

In a brief speech, the hon. Member for St. Albans (Anne Main) made three or four important points. I will certainly ask my colleague the Minister for Security, Counter-Terrorism, Crime and Policing to look at the point she made about the fly-tipping project in her area. She made some important points about mental health, and the Government's initiatives in that area should be commended, but it is right that we recognise that issue. She also praised the Muslim community, and she was right to do so.

The hon. Member for Reigate read out his speech extremely well, which is all I can say about it. I was disappointed that he did not respond to the analysis that hon. Members in various parts of the House had put forward. The Opposition should think hard about this point. They take the slogan "Tough on crime and tough on the causes of crime" from Tony Blair, but they need to provide an analysis based on the facts of the situation. Just briefly, let us look at the resources. I assume that the article in *The Times* is coincidental to this debate, but again I congratulate the hon. Member for Epsom and Ewell (Chris Grayling) on his front page this morning—well done.

Let me read out the figures for the seven forces that were criticised in the papers this morning. The article refers to Durham; I remember signing off a 30 per cent. increase for Durham police authority when I was a local government Minister; I think that the Prime Minister had some interest in that at the time. There has been a 49 per cent. increase in the number of Durham police, with 288 extra police staff. In Gloucestershire there has been a 52 per cent. increase, with 228 extra police staff. In Gwent there has been an increase of 91 per cent., with 415 extra police. In Hampshire, there has been an increase of 79 per cent., with 1,045 extra police. In North Yorkshire there has been an increase of 101 per cent., with 527 extra police staff. In Surrey, in the local county force of the hon. Member for Epsom and Ewell, there has been an increase of 136 per cent., meaning 994 extra police staff. In South Yorkshire the increase was only 59 per cent., with 764 extra police staff. The Opposition call for more resources, but condemn the very Government who have brought them about.

I come to the analysis put forward by the hon. Member for Epsom and Ewell in the speech that he was kind enough to read out to the House following his speech to the Local Government Association yesterday. It really is not good enough to come along and bandy about statistics when every independent authority and every independent provider of statistics has shown that crime has fallen under this Government. It is not true to say that because we have changed the methodology of reporting violent crime, violent crime has gone up. That is the politics of 1984, and I condemn the Opposition's motion and commend the Government's amendment.

Question put (Standing Order No. 31(2)), That the original words stand part of the Question.

The House proceeded to a Division.

Mr. Deputy Speaker (Sir Alan Haselhurst): I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 228, Noes 308.

Division No. 39] **[7.20 pm**

AYES

Afriyie, Adam	Brady, Mr. Graham
Ainsworth, Mr. Peter	Brake, Tom
Alexander, Danny	Brazier, Mr. Julian
Amess, Mr. David	Brokenshire, James
Arbuthnot, rh Mr. James	Brooke, Annette
Atkinson, Mr. Peter	Browne, Mr. Jeremy
Bacon, Mr. Richard	Browning, Angela
Baker, Norman	Bruce, rh Malcolm
Baldry, Tony	Burns, Mr. Simon
Barker, Gregory	Burrowes, Mr. David
Baron, Mr. John	Burstow, Mr. Paul
Barrett, John	Burt, Alistair
Beith, rh Sir Alan	Burt, Lorely
Bellingham, Mr. Henry	Butterfill, Sir John
Benyon, Mr. Richard	Campbell, Mr. Gregory
Bercow, John	Campbell, rh Sir Menzies
Beresford, Sir Paul	Carmichael, Mr. Alistair
Blunt, Mr. Crispin	Carswell, Mr. Douglas
Bone, Mr. Peter	Cash, Mr. William
Boswell, Mr. Tim	Chope, Mr. Christopher
Bottomley, Peter	Clappison, Mr. James

Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Horwood, Martin
Howarth, David
Howell, John
Hughes, Simon
Huhne, Chris
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moore, Mr. Michael
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Jeremy Wright and James Duddridge

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise

Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Havard, Mr. Dai
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Tami, Mark
Taylor, Ms Dari
Taylor, David
Taylor, Dr. Richard
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Wareing, Mr. Robert N.
Watson, Mr. Tom
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. Dave Watts and Mr. Frank Roy

Question accordingly negatived.

Question put forthwith (Standing Order No. 31(2)).

That the proposed words be there added.

Question agreed to.

The Deputy Speaker declared the main Question, as amended, to be agreed to (Standing Order No. 31(2)).

Resolved,

That this House welcomes the unprecedented 39 per cent. fall in crime since 1997, with burglary down by 55 per cent. and violence by 40 per cent; notes that the chance of being a victim of crime is at an historic low; further welcomes the record numbers now entering and staying in drug treatment services; further supports the drive to tackle gangs, including measures in the Policing and Crime Bill to introduce injunctions on gang activity; further welcomes the preventative, educational and enforcement action taken to tackle knife crime, with those carrying a knife now more likely to be caught, prosecuted and imprisoned, if found guilty; considers that the Government's determination to tackle criminal and antisocial behaviour is demonstrated by the record levels of investment in policing since 1997 and increases in the numbers of police officers and police staff to an all-time high, as well as the Government's drive to cut police red tape to free up more time for police officers to spend on the beat; is concerned at any proposal to make sudden cuts to the Home Office budget that could lead to reductions in police officer numbers; commends the Government's determination to stand shoulder to shoulder with local communities in the fight against crime and antisocial behaviour; and deplores talk of a "broken society" as a counsel of despair.

British Agriculture and Food Labelling

Mr. Deputy Speaker (Sir Alan Haselhurst): I advise the House that Mr. Speaker has selected the amendment in the name of the Prime Minister.

7.37 pm

Nick Herbert (Arundel and South Downs) (Con): I beg to move,

That this House believes that British consumers are entitled to know exactly how and where the food they are eating is produced and that clear and unambiguous labelling stating the country of origin of the major ingredients is required to achieve this; further believes that this will level the playing field for British farmers and enable British consumers to show their preference for home-grown food which is produced to high standards of animal welfare, health and safety and environmental protection; notes that the rate of self-sufficiency in the food which Britain can produce itself has dropped substantially since 1997; further believes that voluntary labelling by food retailers has failed to deliver the transparency that consumers require; and calls on the Government to introduce a mandatory country of origin labelling scheme for meat and meat products without further delay.

We have called the debate today because of a simple principle: people have a right to know where their food comes from. Currently, meat that is processed here, but imported, such as bacon, sausages and meat in ready meals, can be labelled "British". We believe that that is a dishonest system, which misleads consumers, undermines attempts to improve animal welfare and disadvantages our farmers. Nothing in current food labelling regulations defines how much British involvement is required before food can qualify as British. A combination of European Union directives, United Kingdom legislation and domestic regulations has created an environment in which consumers are confused and misled by the labelling of their food.

Last week, my office visited some major supermarkets and found several products with no country of origin information. Many others were simply labelled, "Produced in the UK", which might lead somebody to believe that the meat was from this country. We found a Birds Eye Great British Menu roast beef meal, which admitted on the back that the beef was imported—that is not very British. We even found a Marks and Spencer sandwich, emblazoned with the "nation's favourite sandwich" and a Union flag, which admitted on the reverse, in rather smaller print, that the corned beef came from Brazil. Those buying a Tesco Disney-branded children's roast dinner, labelled "Produced in the UK", would not know that they were feeding their children with chicken from Thailand. They would know that only if they took the time to call the customer helpline.

If people wish to eat imported chicken, that should be their choice. Consumers should be free to choose food from any country. We are in Fairtrade fortnight, and we acknowledge that many people choose to support producers in developing countries. After all, British farmers have important export markets, too. However, real choice requires real information. Clear labelling would empower consumers, not restrict their options. Two thirds of pigmeat imported into this country might have been reared in conditions that are banned here. The current rules force our farmers, who have high welfare standards, to compete against cheaper meat products that can still be labelled as British. Shoppers who wish to endorse higher animal welfare standards by buying British may end up unintentionally backing more cruel methods of production overseas. That is why we think that a system of clear labelling is essential, and it is overwhelmingly supported by the public.

David Taylor (North-West Leicestershire) (Lab/Co-op): We on the Select Committee on Environment, Food and Rural Affairs have looked into the issue a great deal. Does the hon. Gentleman agree that if he went to the car park of the Arundel Co-op—if there is one—on Saturday with a petition urging people to endorse, for instance, higher welfare standards for pigs, they would be pushing him aside to sign that petition, but that seconds later the same hands that had gripped the pen to sign the petition would be reaching into the chiller cabinet for the cheapest cut of pork, almost no matter what it was? Labelling is important, but it is not the only part of the equation, is it?

Nick Herbert: The hon. Gentleman should know that there is indeed a Co-op in Arundel, which I have been into. People should exercise choice. If there is a section of the public that wishes to buy cheaper meat, those people should be free to do so, but they should know where that meat comes from. However, at the moment they do not necessarily know that. Last week we conducted an opinion survey through ICM, a reputable pollster, which found that a majority of the public would support British production if it produced food that was either the same price or even more expensive. Only a minority said that it would prefer the cheaper produce. Nevertheless, it is quite understandable, particularly in the current economic climate, that people may wish to exercise the option of cheaper food, but they must know where it comes from. Of course they should be free to choose. The same survey conducted by ICM showed that 87 per cent. of voters agree that the Government should ensure that the country of origin is displayed clearly on food.

Mr. David Drew (Stroud) (Lab/Co-op): There is not a great deal in the motion with which I can disagree; indeed, I have supported cross-party attempts to get better labelling, so I would support that. However, the one thing that is missing is something about the sourcing of food locally. One way that the public can definitely know that whatever they buy and subsequently eat is what they believe it to be is by knowing that it is produced locally. Should there not have been something in the motion about locally produced food and the way farmers' markets have shown us the way on what people can expect?

Nick Herbert: We on the Conservative Benches are strong supporters of locally sourced food. In fact, there is a farmers' market in Arundel as well. Many people choose to support such markets and to buy food from such outlets, because they wish to support local producers. I strongly endorse that choice, which is good for our domestic producers and local farmers. That choice would be exercised more if there were more transparency about where our food comes from generally because that would raise public consciousness about the origin of food, which is important.

Alan Simpson (Nottingham, South) (Lab): Just to help the hon. Gentleman on that point, does he understand and accept that, in the controversy about labelling, references to local production and farmers' markets is

[Alan Simpson]

part of what is being disputed, in some cases before the courts, because of misleading labelling in precisely those terms?

Nick Herbert: I am not sure that I appreciate the hon. Gentleman's point, but I will come to the extent to which a labelling scheme would be lawful under EU law. We on the Conservative Benches believe that it would be. I cannot believe that sensible legislation would get in the way of transparency in labelling. That is surely what all of us, in all parts of the House, should want. Indeed, it should be a fundamental consumer entitlement.

Rob Marris (Wolverhampton, South-West) (Lab): The hon. Gentleman is being very generous in giving way. It seems to me, looking at the motion and the Government's amendment, that this is a bit of a non-debate. The issue is important in respect of consumer information, but it seems odd for a debate in the House of Commons. I put it to the hon. Gentleman that a much more important issue in relation to food is food security, particularly with climate change in the world. We are not doing enough about security of supply in the United Kingdom. That is the debate worth having in the Chamber, not this one.

Nick Herbert: I note that the hon. Gentleman's judgment about whether the motion is worth while did not stop him from making one of his customary interventions. I will turn to the issue of food security, but the two issues are, in fact, linked. If we have rules that effectively discriminate against British farmers, that affects our ability to produce more from our own resources. That is an important link.

I fundamentally disagree that the issue is not important. Not only is it important for consumer confidence in food; it is extremely important for the interests of British producers, who have suffered a great deal. That is particularly true of pigmeat producers, who have suffered declining sales in recent years because the public are, frankly, being duped into believing that they are buying British when they are not. There has been a strong public response to the campaigning on the issue by people such as Jamie Oliver and others. The hon. Gentleman would find that there is public interest in the issue not just in rural areas, but across the country. I therefore do not accept that it is not important.

Andrew George (St. Ives) (LD): In view of the Conservatives' enthusiasm for transparency in the food chain, I would be interested in the hon. Gentlemen's view on the Competition Commission's inquiry last year, which found that supermarkets transfer excessive cost and risk to suppliers and which recommended the establishment of a grocery sector ombudsman. If such transparency were introduced in the food supply chain, surely that would assist him and his party in achieving the kind of objectives that he is advocating today. Will the Conservatives therefore support the recommendations of the Competition Commission inquiry into the supermarkets?

Nick Herbert: I happen to agree with the hon. Gentleman's support for an ombudsman. Last week at the National Farmers Union conference, I said that our major supermarkets needed to treat British producers with more respect, and that proposal would be one way to make that happen. However, I do not see the direct link, which the hon. Gentleman sought to draw, between that proposal and transparency. A sensible scheme for transparency will require the supermarkets to participate. Indeed, I will make the case that a voluntary scheme has not proven possible because of the unwillingness of the major supermarkets to participate. That is why a compulsory scheme is, I regret to say, now necessary.

Mr. Drew: I pay due tribute to my friend in this regard, the hon. Member for St. Ives (Andrew George). The Competition Commission inquiry into the grocery trade was hamstrung by the unwillingness of suppliers to give evidence, even in camera. That indicates the unfairness of the system. All parties ought to be standing up to the supermarkets to get greater fairness and a genuinely level playing field. I hope that the hon. Gentleman would agree to that.

Nick Herbert: I agree with the hon. Gentleman, but he should be directing his comments to the Government and asking them what action they propose to take in response to the commission's proposals. We have said that it is time for action, and that it is important both that the interests of consumers and producers are protected and that a proper balance is achieved.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): My hon. Friend is being very generous in giving way. Does he agree that although the consumer and the supermarkets are one half of the equation, the other half is the public sector, which is a big purchaser of food? He mentioned the pig industry just now, but hardly any British pork is bought by the Ministry of Defence for the Army. Does he agree that the public sector—the MOD, the health service and the education sector—could do much better in its efforts to purchase British food?

Nick Herbert: I strongly agree with my hon. Friend. It is a disgrace that the public sector procurement of British-produced food remains so low.

In the ICM poll to which I referred earlier, when the public were asked whether they believed that food in hospitals, schools and the armed forces should be produced to British standards or whether it should be sourced at the cheapest cost to the taxpayer, 90 per cent. agreed that it should be produced to British standards.

Mr. Jeremy Browne (Taunton) (LD): Will the hon. Gentleman give way on that point?

Nick Herbert: No. I have been generous in giving way and I want to make some progress.

The Government's own food watchdog, the Food Standards Agency, states in its best practice guidance:

> "Consumers expect meat labelled 'produce of' to come from animals that have been born, reared and slaughtered in those countries and we consider this to be good practice to label accordingly."

Unfortunately, that is simply guidance on good practice; in the real world, poor labelling persists. Despite the FSA guidelines and clear evidence that consumers are being misled and want to see country of origin information clearly displayed on food, too little has been done.

The Government say that they are aware of the problem. Last week, the Secretary of State pledged to

"stamp out unclear, inaccurate or misleading labelling".

The Minister of State, Department for Environment, Food and Rural Affairs, the right hon. Member for Liverpool, Wavertree (Jane Kennedy), even went on Jamie Oliver's recent programme, which did so much to inform consumers about the ways in which they are being misled, to agree that the current situation is a "disgrace". I agree with her. I regret, however, that warm words have been followed by little action. Consumers, retailers and food producers have been frustrated by repeated promises to introduce voluntary schemes, which have clearly not worked.

As long ago as 1998, the then Agriculture Minister, the right hon. Member for Newcastle upon Tyne, East and Wallsend (Mr. Brown), promised to take action. A Ministry of Agriculture press release declared:

"Consumers win as... retailers agree on labelling".

The following year, the Minister came to the House to proclaim his three objectives, and said:

"I want to give clear unambiguous information on the real place of origin, not place of processing or place of slicing; I want to clamp down on misleading place of origin descriptions; and I want to make further progress by lobbying the European Commission and other member states for a system of clear country of origin labelling."—[*Official Report*, 28 October 1999; Vol. 366, c. 1126.]

That was 10 years ago; 10 years on, Ministers are saying exactly the same thing. Despite repeated promises, there is no adequate voluntary agreement and there is no acceptable deal in Europe. It is disappointing that the Secretary of State has now decided that the way forward is a reheated voluntary agreement at home and yet more negotiations with the Commission.

The Secretary of State told last week's National Farmers Union conference that he had met representatives of the supermarkets to discuss this voluntary agreement. Perhaps the Minister of State will update the House about the progress of those talks, as there is little sign of any action. What of the stores outside the big four supermarkets, which account for around £40 billion-worth of grocery sales every year—some 35 per cent. of the total? Any voluntary scheme that includes only the major supermarkets would cover less than two thirds of sales.

I am afraid that after 10 years of promises, we on the Conservative Benches are sceptical—a view shared by the farming industry—about the chances of meaningful voluntary agreement with the retailers, because those retailers are not willing to provide the information that the public want. The Irish pork scare last year showed the drawback of unclear labelling. Supermarkets withdrew Irish meat in case it had been contaminated, but there was no guarantee that it had not been processed somewhere in this country and was sitting in our fridges with a British label on it.

We live in an age of consumer choice and transparency. Anyone who stands in the way is on the wrong side of the argument. The British Retail Consortium has claimed that in the labelling of food,

"it's the process rather than the origin that's important".

I completely disagree: the production is important, but consumers expect to know the origin of meat, not just where it was last processed. A recent survey found that an overwhelming majority of the public—89 per cent.—felt that a meat product labelled as British or produced in the UK should mean that it was from an animal reared in Britain.

There is no suggestion that food retailers are systematically attempting to mislead the public, and the FSA guidelines exist to prevent that, but unclear labelling that is perfectly permissible under current rules does, in fact, allow consumers to be misled. That is the effect, whether it is intended or not. It is because the retailers—or I should say, some of the retailers—do not accept the need for country of origin labelling that voluntary agreement has proved impossible. It is noticeable, for instance, that Marks and Spencer has accepted the need for compulsory country of origin labelling.

Mr. Richard Bacon (South Norfolk) (Con): There is a further point to consider. Does my hon. Friend agree that the retailers will accept country of origin labelling when they think it will give them a premium, as sometimes happens with English milk, but they will not when they want to sell an own-brand product and they want to disguise the fact that the meat comes from Hungary or Brazil, for example?

Nick Herbert: Yes, I agree with my hon. Friend that there is evidence that some retailers have been willing to move towards more transparent labelling in respect of premium products, but on the value labels, they have not been so willing. I hope that our survey will give them more confidence that people would support British production across their product ranges, but in any case, I do not think that we should resile from the principle that the consumer should know where the meat comes from, irrespective of the price, and then make a choice. We should stand by that principle.

Opposition Members thus believe that the only course now is to adopt compulsory country of origin labelling. In the first instance, we believe that it should apply to meat and meat products, where the instances of misleading labelling, and their effects, are particularly serious. Beef labelling regulations first introduced in 1997 in reaction to BSE have proved workable. In general, all beef and veal must already indicate the country of origin, by reference to the place where the animal was born, reared and slaughtered. The time has come to extend that practice. So last week, my hon. Friend the Member for South-East Cambridgeshire (Mr. Paice) and I launched the honest food campaign to ensure that imported meat cannot be simply processed in this country and then labelled with a British flag. We propose to introduce a food labelling regulations (amendment) Bill to make honest labelling of all meat and meat products a statutory requirement. It echoes a number of similar private Members' Bills that have been promoted by Conservative Members over the past few years, most recently by my hon. Friend the Member for South Norfolk (Mr. Bacon).

To date, the Government have resisted those proposals. I urge them to reconsider and to join a growing consensus in the belief that change is needed. As well as the farming industry and trade associations representing the livestock sector, animal welfare groups such as the Royal Society for the Prevention of Cruelty to Animals and Compassion in World Farming are also supporting the objectives of the honest food campaign. Let us be clear: those organisations are not supporting another voluntary scheme; they are calling for compulsory country of origin labelling.

[Nick Herbert]

Our plans would follow similar approaches taken in America and Australia. Both countries recognised that their consumers were being duped by the existing packaging and the natural demand for the correct information required labelling rules that had legal force. Their experience shows that the cost of better labelling will be negligible. In the United States, a study put the increased cost of origin labelling for poultry at as little as 0.01 per cent., while the EU has said that small businesses consulted would expect a positive impact from compulsory origin labelling.

Of course, new regulations need to be proportionate. That is why we are proposing in our own draft Bill that the regulations will require the labelling of meat ingredients when they represent 10 per cent. or more of a product. So, for example, a typical ready meal would be covered, as most consumers would expect, but not a pepperoni pizza—unless the manufacturer decided otherwise. I believe that this proposal strikes the right balance between the consumer interest and what is practicable.

In their amendment for tonight's debate and elsewhere, the Government have claimed that what we are proposing, even if desirable, is not possible under EU law. We disagree. Our Bill is not about restricting trade. It will simply require UK processors and retailers to label their products appropriately. Under EU regulations on the marketing of foodstuffs, member states can require the labelling of origin when the absence of such information could mislead or confuse the consumer—and our consumers are being misled.

Ministers claim what we are proposing has been tried already. They point to a recent attempt by the Irish Government to introduce country of origin labelling for poultry, pig and sheepmeat, which the European Commission rejected. The Irish Government may not have been able to convince the Commission, and they were not helped by the fact that the British Government did not support them, but we can produce the evidence that UK consumers are being misled. The latest surveys of public opinion show that. For that and other reasons, we have received legal advice and we are confident that what we propose is permissible. I would be grateful if the Minister explained why the Government believe that it is not.

The Irish Government went to the Commission and at least made the case; they stood up for the interests of their consumers and their farming industry, while other countries have succeeded with labelling schemes within the EU rules. The Commission approved the mandatory origin labelling for Spanish asparagus in 2003 on the ground that consumers would otherwise be misled. This is about political will. The job of a Government who care about their farming industry and consumer choice is to do everything possible to put the case and, if necessary, to challenge and change the rules.

Under this Government, our nation's reliance on imports has increased by 8 per cent. There have been major declines in the production of cereals and meat. There has been a widening food, drink and feed deficit, which stands at more than £14 billion. The pendulum has been allowed to swing too far away from domestic production. Using imports as a substitute for produce that could perfectly well be grown here is a waste of potential. Increasing self-sufficiency in the food we can produce ourselves should be a strategic priority.

Of course food security must not be an argument for a retreat into protectionism or central planning, but we need properly to assess the role that we want our farmers to play. Conservative Members want to enable our farmers to do what they can do best: produce high-quality food and respond to consumer demand. They cannot do that effectively if the rules governing labelling leave them disadvantaged in the marketplace. Compulsory country of origin labelling is right for Britain and with the EU negotiations under way, now is the time to take a stand.

The Government's plan for a voluntary agreement on food labelling with retailers has passed its sell-by date, and they must stand up for British consumers and farmers. Other EU countries fight for the interests of their consumers and their farming industries within the trading rules. It is time for the British Government to show the same spine. It is time to end misleading labelling and to enable consumers to choose British food with confidence.

8.1 pm

The Minister of State, Department for Environment, Food and Rural Affairs (Jane Kennedy): I beg to move an amendment, to leave out from "House" to the end of the Question and add:

"considers that British consumers should have the information that they need in order to make the choices they want when they buy their food; notes that the European Commission has rejected a recent proposal from the Irish Government for national mandatory country of origin labelling for meat and meat products; believes that clear and unambiguous labelling stating the country of origin of the major ingredients for meat and meat products would level the playing field for British farmers and enable British consumers to show a preference for food which is produced to high standards of animal welfare, health and safety and environmental protection; agrees that where supermarkets and retailers comply with the Food Standards Agency's guidance on country of origin labelling that this is to the benefit of their consumers; and further believes that the best way to back British consumers and British producers is to support the Government's calls for tougher and clearer country of origin labelling across Europe."

I am grateful to the official Opposition for initiating the debate today. After all, it is national potato day and pancake Tuesday, so it is appropriate that we are having the debate. I depart from the view expressed by my hon. Friend the Member for Wolverhampton, South-West (Rob Marris), as I think this is an interesting debate, and I welcome the hon. Member for Arundel and South Downs (Nick Herbert) to his new post. I hope that he enjoys a long and happy career as Opposition spokesman. If his performance today is anything to go by, he will do extremely well. I look forward to crossing swords with him on many occasions.

I wrote to the hon. Gentleman about this, but may I express apologies from my right hon. Friend the Secretary of State, who is out of the country and unable to return for the debate? As the hon. Gentleman will know from his visit to the National Farmers Union conference last week, agricultural production and the sustainability of that production are a hot topic in discussions in the industry. As my right hon. Friend the Secretary of State said in his speech to the NFU:

"The best way for us to safeguard our food security in the 21st century will be through strong, productive and sustainable British agriculture, trading freely with other nations."

I shall address the debate rather narrowly, although there are many issues that we could discuss under its title. I think that it would be helpful to the House if I addressed some of the immediate points, particularly around the issue of labelling.

We take agricultural production very seriously and we want British farmers to produce as much food as possible. That is not about targets for domestic production or self-sufficiency. We are a trading nation. Some of the food that we grow we export—nearly £12 billion-worth in 2007. The food that we import—mainly things that we cannot grow here—is really important too. This is about productive, efficient farming, the higher yielding seeds, better irrigation and more sustainable use of fertilisers that have transformed agriculture in parts of the world.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): The Minister talks about trading freely, but what about trading fairly? If production methods used on the continent are illegal here but give our opponents an advantage, surely people should be made aware of that.

Jane Kennedy: I agree with the hon. Gentleman—indeed, I agree with some of the points made by the hon. Member for Arundel and South Downs—but there are points of difference, which I wish to explore and explain. I have read the Conservative proposals in detail and they form a well-written document, if I might be allowed to say so, but I have some quite stringent criticisms to make of it, which I will come to.

In meeting demand today, we must ensure that we do not destroy our ability to feed ourselves tomorrow. This is not about either environmental sustainability or production; it has to be both. The general public are becoming increasingly interested in the issue of labelling and the origin of foods, and I agree with the hon. Member for Arundel and South Downs that the public should have confidence in the labelling system, so that when they make the choice to buy British, for whatever reason—if they want to support British farming, for whatever purpose—they know that they are buying British produce.

Mark Pritchard (The Wrekin) (Con): The Minister will know that some of the best arable livestock and some of the best dairy farming in the UK are to be found in Shropshire, but the best way to pay tribute to Shropshire farmers is to support the motion and allow transparency so that UK customers, and indeed European customers, can make an informed choice about buying British, which includes Shropshire.

Jane Kennedy: I do not disagree with the hon. Gentleman about Shropshire, but in a moment I will come to why there are distinct and real differences between the positions described in the motion and in the amendment.

The issue of labelling has recently been played out in the media, too, and the hon. Member for Arundel and South Downs was right to highlight Jamie Oliver's investigation of pig welfare standards in Europe. The programme was broadcast in January and the hon. Member for South-East Cambridgeshire (Mr. Paice) and I participated in it, although it was filmed a little while ago. As I said to the NFU conference, Jamie Oliver is to be congratulated on shining the spotlight on an area that deserves to be brought into focus. I hope that today's debate will continue to raise awareness and improve the public's understanding of the issue.

My views and those of my right hon. Friend the Secretary of State are perfectly clear: we want people to be able to buy British and to support British farmers. The British public care about what they eat. Imported food is good and important for variety. It also reflects the cultural diversity of the UK, but by buying British, consumers support the industry and, especially in the pig industry, higher welfare standards. The Conservative party passed the key welfare standard change—the abolition of sow stalls. We implemented that change, which means that our pig farmers are right when they say that they are at a disadvantage. That is why the Select Committee report that examined the issue so carefully and in such detail was so timely. Its conclusions are important.

Bill Wiggin (Leominster) (Con): The Minister will be aware that none of the bacon fed to our troops is British. What discussions has she had with the Ministry of Defence and her colleagues there to ensure that that changes?

Jane Kennedy: If the hon. Gentleman will allow me, I will come to that point in a little while. I agree, and I have said on a number of occasions that we are improving the ability of the public sector to use its power to support British farming. However, there is further work to do and I am engaged in it. Later in my speech, I will describe exactly what we are doing.

Mr. Stephen O'Brien (Eddisbury) (Con): The Minister will be aware that 10 years ago I introduced a private Member's Bill on this very subject. What is really causing me concern is the fact that she does not seem to exhibit even a frisson of concern that, for 10 years, the Government have not only been trying, but have been warned of the consequences of the disadvantage being deliberately placed in the way of British pig farmers. The competition have had derogations and been able to flood our market with cheaper-sourced meats. That is unacceptable. Surely she must recognise that now is the time to act, not to speak.

Jane Kennedy: As my hon. Friend the Member for North-West Leicestershire (David Taylor) said, the issues facing pig farmers go far wider than labelling. That is why the approach that I am taking—bringing the stakeholders around the table to talk about the range of issues that need to be identified—will allow us to work out a programme of action that I believe will achieve improved confidence in our pig industry, which is what the representatives of the industry say they want to achieve.

Andrew George: Does the Minister accept that her stated objective of encouraging, or indeed enabling, consumers to purchase British-produced goods is closely linked to the Competition Commission's inquiry into supermarkets? If farmers and growers cannot maintain viable business structures because of the way in which the supermarkets treat them through the supply chain, that desirable objective simply cannot, over time, be fulfilled. What does the Minister's Department say, and

[Andrew George]

what does she say, in response to the commission's inquiry, and is she taking the issue up with her colleagues in other Departments?

Jane Kennedy: As the hon. Gentleman says, the Competition Commissioner will report to my ministerial colleagues in the Department for Business, Enterprise and Regulatory Reform. However, I am taking a close interest in the issue. I have asked for up-to-date advice so that I can ensure that the commissioner's recommendations can be pursued with the full seriousness that they deserve.

Sir Nicholas Winterton (Macclesfield) (Con): May I ask the Minister to respond to my hon. Friend the Member for Scarborough and Whitby (Mr. Goodwill), who referred to fairness? If fairness were displayed to our farmers, they could not only produce more wholesome United Kingdom food, but produce more from the land, which is good for the consumer. Moreover, they would have the money that they need in order to maintain the countryside that is so important to us.

Jane Kennedy: I agree that fairness is extremely important, and that is why the Competition Commissioner's recommendations are so important. They address what is a clearly defined imbalance of power between the retailers at one end of the food supply chain and the producers at the other. That returns us to a point made earlier about the need to ensure the security of the whole food supply chain. Although we are focusing on labelling tonight, I consider it incumbent on me to examine all the other factors in detail. We need a programme of action to deal with those factors as quickly as possible, so that we need not wait for movement on the European Union's part and can do what we can within the United Kingdom first.

Dr. Andrew Murrison (Westbury) (Con): The right hon. Lady said that the problems facing the pork sector were not all to do with labelling, and that is clearly true. However, does she remember telling Jamie Oliver that misleading labelling was a disgrace, and does she remember undertaking to meet the challenge of remedying that problem? She seems to be backing away from that, and trying to downplay the importance of labelling.

Jane Kennedy: On the contrary. I shall now set out what I consider to be the difference between our wish to conduct a practical search for real solutions to a serious problem and what is, as I hope to demonstrate, a posture adopted by the hon. Member for Arundel and South Downs.

This issue is essentially about choice. It is about consumers' ability to make informed and practical choices. People want to know, and have a right to know, where their food comes from. If that is to happen, we need to find practical solutions that are proportionate to the problem and do not result in unnecessary and burdensome regulation which could impose additional costs within the supply chain—costs which, in all likelihood, would eventually affect either farmers' margins or shoppers' wallets. That is what is wrong with the Opposition's proposal.

Mr. James Paice (South-East Cambridgeshire) (Con): Will the Minister give way?

Jane Kennedy: I will, but I want to embark on the detail of my speech.

Mr. Paice: I am grateful to the Minister. Can she tell us what extra costs would result from our proposed legislation, in comparison with the costs of implementing a voluntary scheme? Both would require full traceability and the labelling of products.

Jane Kennedy: I will come to the differences, and the flaws in the proposal advanced by the hon. Gentleman's party. Let me quote from a document that I found on the website.

Rob Marris: Which website?

Jane Kennedy: The Conservative party's website. The document says that the Conservatives would

"write into law a new definition of country of origin for meat and meat products so that it means what consumers rightly assume",

which would form part of a food labelling regulations (amendment) Bill.

I accept that the hon. Member for Arundel and South Downs has received legal advice. It has been published, and I have read it with interest. However, according to legal advice that I received as recently as today in order to test the ideas presented by the Conservatives, the hon. Gentleman's proposal is certain—not almost certain—to fail the legal test that the European Commission would set.

Nick Herbert *rose—*

Jane Kennedy: Will the hon. Gentleman allow me to explain the basis of that legal advice before I give way? His proposal is very widely drawn. It attempts to encompass all meat and meat products. Does he accept that, while our aim is broadly the same, we in government must plot a course that will genuinely bring about change for the better, rather than leading to the raising of false hopes among livestock farmers and easy wins in the short term? That could happen tomorrow, if only the political will were brought to bear. The hon. Gentleman has used that phrase twice, once to the National Farmers Union and once here today.

Rob Marris: In the interests of consumers such as ourselves, could my right hon. Friend publish the legal advice that the Government have obtained?

Jane Kennedy: I will investigate the options. I certainly want to share as much of it as I can with the taskforce with which I shall be working early in March.

Nick Herbert: Will the Minister give way?

Jane Kennedy: Yes, because I said that I would.

Nick Herbert: I am grateful to the Minister. She has cited legal advice which I hope she will publish, but why have the Government not proposed a country of origin labelling scheme to the European Commission? That would enable us to hear the Commission's view on the merits of such a scheme. Is it not clear that EU legislation enables a country of origin labelling scheme to be adopted domestically when consumers are being misled? Surely the Minister agrees that consumers are being seriously misled, so why is she not trying to put that point to the Commission?

Jane Kennedy: That is precisely the work that we are doing. I agree with the hon. Gentleman that when a case can be made to demonstrate that customers are being misled, that case should be made.

As for the second prize for the worst example—the Marks and Spencer sandwich that the hon. Gentleman mentioned—he did not appear to be quarrelling with the labelling, which is quite clear. Marks and Spencer does not seek to hide the fact that the sandwich—a corned beef sandwich—is made with Brazilian beef. That is stated on the label, and is reasonably well printed. It is the packaging and the marketing to which the hon. Gentleman objected, and in that respect I entirely agree with him. It could, I think, be argued that when such a claim is made and the marketing is carried out in such a way—the advertising is another issue—the country of origin should appear in the same field of view. Otherwise, there is a potential for consumers to be misled. I want to establish whether there are options allowing us to encourage clarity of that kind. When such encouragement does not work—*[Interruption.]* I shall explain in a moment why we will need to approach the European Commission to make that change.

Nick Herbert *rose—*

Jane Kennedy: I will give way one last time.

Nick Herbert: I am grateful to the Minister. Does she agree that, while Marks and Spencer's other labelling is entirely commendable, the emblazoning of the Union flag all over the front of that sandwich makes the labelling misleading? Does she agree that—as I have said to Sir Stuart Rose—the packaging should be re-engineered so that it does not mislead consumers?

Jane Kennedy: Both my right hon. Friend the Secretary of State and I have met representatives of eight of the big retailers and representatives of the British Retail Consortium. We discussed the issue as recently as three weeks ago, and we continue to raise it.

I accept what the hon. Gentleman has said about that particular sandwich. I think it is clear from all the evidence that he has seen, from the evidence that the Jamie Oliver programme uncovered and from the experience of anyone who shops in supermarkets that British retailers know the value of the Union flag as a selling point for food. Precisely because it is of such value to them as retailers, British customers ought to be able to rely completely on the fact that, if it is being used to market in such a way, they understand what they are purchasing and are not being misled.

Mr. Bacon: Does the Minister accept that a simple way out would be to put to the Commission the point that although it claims that there should not be country of origin labelling unless consumers might be misled, the possibility of consumers being misled would be reduced to zero if all products across the EU were clearly labelled by country of origin? Should that not be a compulsory, EU-led scheme, driven by the British Government?

Jane Kennedy: I am not sure that that is the case. If we were to have all country of origin information on all products, what would we do with, for example, a pizza that is entirely made in the UK but that might be made with imported wheat or cheese or pepperoni sausage? How much of that would have to go on the label? I do not agree that in all cases all the products need to be displayed on the label. If we start to consider narrowing that down, we come closer to the Opposition proposal, but I believe that that would fail the challenge that the European Commission would set it, as I have described.

That does not, however, mean that there might not be a case for having a more narrowly drawn definition. The Spanish asparagus case was mentioned. I understand that that was tinned Spanish asparagus, and that the European Commission has allowed it as an exception—as a demonstrably very narrowly drawn exception. Therefore, if we are to make progress and persuade the European Commission that there is something that we can do in the UK because of the danger of consumers being misled, we must be much smarter in how we do it and not use the blunderbuss approach suggested from the Conservative Front Bench.

Dr. Murrison: Could the right hon. Lady not then apply for an exception for British pork—in the same way that the Spanish have applied for an exception for their tinned asparagus—given the uneven playing field that has been introduced since 1999 because of animal welfare standards? That seems to me to be perfectly reasonable. Why has she not done it?

Jane Kennedy: It is certainly something that I will be looking into. *[Interruption.]* Well, it is something that I am absolutely committed to seeing whether we can achieve, because I think it will help British consumers and will allow them to use the power of their spending to support British farmers, and I think they deserve that.

There may be options for action in the UK or England for some produce. I am not yet in a position to start to debate the detail of what those options might be, but there is certainly no simple solution. I want to explore them further. The taskforce that I am establishing to examine the changes taking place in the pigmeat supply chain is the forum to do that, as there will be immediately available to it the advice of the Food Standards Agency, farmers, slaughterers, processors and retailers, all of whom have agreed to join the taskforce.

Mr. David Heath (Somerton and Frome) (LD): Does the right hon. Lady not agree that, at the very least, it should not be possible to pass off meat produced from livestock raised in one country but that is then slaughtered, butchered or processed in another country as the product of that latter country? To my mind, that is simply passing off incorrectly the origin of that meat, and that must be covered by the EU rules.

Jane Kennedy: That is within the scope of the discussions that are taking place in the European Commission about how we as a Community should improve the laws on labelling, in order to make sure that misleading labelling is not used in the way that the hon. Gentleman describes.

Let me respond to the accusation, which has been repeated, that nothing has been done in 10 years. First, the FSA has been created, and the guidance it has issued has brought about real changes in the quality of labelling. That has clearly opened up the possibility of further criticism, which has been trenchantly made today—

Mr. Bacon *rose—*

Jane Kennedy: I am conscious that I am taking up a lot of time, but I will give way again.

Mr. Bacon: The right hon. Lady is being very generous in giving way. The FSA updated its guidance in July. Will she confirm that it is correct that that updated guidance made no specific mention of country of origin labelling?

Jane Kennedy: The guidance was updated again in November. The FSA is quite clear about what should be included in any origin claims. In fact, it is because of FSA influence that support has been won across Europe for precisely the point made by the hon. Member for Somerton and Frome (Mr. Heath). We should give full credit to the FSA for the influence that it has brought to bear in winning support for the improvements that are beginning to flow through and for there now being such debates in Europe.

If the option for changing the rules for labelling on a UK basis only becomes viable, I will pursue it, but I am aware—as the hon. Member for Arundel and South Downs should be—that such UK options must find the approval of the European Commission. His proposals would have to find its approval.

Mr. Andrew Turner (Isle of Wight) (Con) *rose—*

Jane Kennedy: May I just finish this point? Given the Conservatives' famously robust view of Europe, how do they propose to get their new law through such scrutiny? They are completely isolated in Europe, and already lack support for their key policies, such as renegotiating a ratified treaty of Lisbon. On that key policy, they are supported by the Dutch animals party, the French hunting, fishing, nature, tradition party, Sinn Fein and some communists. *[Interruption.]* On renegotiating the treaty of Amsterdam regarding the social chapter, they have no support from any quarter—*[Interruption.]*—and they do not like it when they are reminded of it. In both such instances, there is no support for their position from any of the 26 member states. *[Interruption.]* This is an important and serious point: how will their proposal on food labelling fare any differently from these two other no-hope options that are key policy objectives of the Conservative party? I believe that its policy statement is a dishonest position because it cannot be achieved. I will want to study it carefully to see if there is any merit at all in it, but I am not convinced that there is.

We all agree that consumers need clear information to enable them to make informed decisions, but the Opposition's simplistic solution of introducing new domestic legislation is not the silver bullet that they are asking this House, the farming community and citizens to believe it is. They claim that there will be no costs incurred, but on what do they base that claim? Can they be sure that businesses and families who are struggling to make ends meet would not be adversely affected? How will they get their plans on to the statute book without a costly, complicated and drawn-out row with the European Commission, which has already sent back less demanding proposals from the Irish Government?

Our approach is more proportionate; it is based on what is deliverable. Even a narrowly drawn UK option that might succeed would take years to succeed, and I am not prepared to wait for that. I am prepared to make the approaches that are necessary and I will do so, but I want improvements now. More importantly, I want to see what can be delivered and for it to be delivered as quickly as possible.

Mr. Drew: One thing that has not been mentioned is genetically modified food and its labelling. We know that there is a clear embargo on GM-produced food, but there is far less clarity about animals that have been fed on GM feed and subsequently come into the human food chain—they have to come from abroad. Will the Minister clarify the labelling position in that regard?

Jane Kennedy: My hon. Friend is right to point out that it is possible for consumers unknowingly to buy meat products of animals that have been raised on GM feed. If consumers have a concern about that, they can follow particular supermarkets that have a clear policy on it. It is the subject of another interesting debate, although not one for today. British farmers will hope that we return to the subject in more detail on another occasion.

Rob Marris: Speaking of a debate to which we may return on another occasion and given that this one is about British agricultural production and food labelling, can the Minister say a little about security of supply? As I have said, that is a growing issue, given that climate change is accelerating worldwide and will adversely affect food production both in countries from which we have hitherto received food and in this country. Security of supply is vital and it is a growing issue, to coin a phrase.

Jane Kennedy: My hon. Friend is right to mention security of supply, which covers at least two areas. One is the need to ensure that we farm in a way that is environmentally sustainable in the long term—that is one way of ensuring food security. A second is the need to understand what is happening in some of the sectors to ensure that, as we mentioned when discussing the Competition Commission's concerns, there is not an undue level of power and that the risk in a food supply chain is not borne disproportionately by one part of it.

That is why I hope that drawing from the model that the Dairy Supply Chain Forum has used for many years and using the same approach in the pig industry, following on from the Select Committee's recommendations, will allow us to understand the pressures within the whole food supply chain, so that we can bring about a more sustainable and secure sector, within which confidence grows. The farmers, in particular, tell me that they fear that confidence levels are not as good as they should be. *[Interruption.]* The representatives of the British pig industry also tell me that it is a very vibrant industry where a lot of good work is going on and that we should be careful not to talk the industry down to the point where new blood is reluctant to come into it because people do not have confidence about security. *[Interruption.]* All the points being raised from the Conservative Benches are precisely why we need to examine that detail.

The way forward that we are proposing will not impose unnecessary burdens on the supply chain. While we will work with our international partners to deliver clear and unambiguous labelling provisions across the Community, we will engage with the whole domestic supply chain to deliver improvements before EU regulations come into force. What that means in practice is working

with the Pig Meat Supply Chain Task Force—I have mentioned it more than once this evening—which I announced at the National Farmers Union annual general meeting last week, to identify practical solutions to improve labelling, not just for retail sales, but in the hospitality sector. I anticipate that the work the taskforce will do will be able to be applied across other sectors of the food chain.

My right hon. Friend the Secretary of State and I have been pressing retailers to use the Food Standards Agency's best practice guidance across their ranges. That guidance was extensively consulted on, reviewed in November and is already a tougher standard than that set down by the European Commission. We will continue to hold processors and retailers to account, while recognising the valuable strides that they have taken to tackle this issue.

We have helped Departments to buy local food—my hon. Friend the Member for Stroud (Mr. Drew) rightly emphasises the importance of local food. Did the hon. Member for Arundel and South Downs even know that anyone who has milk in their tea or eats an egg in a Department is supporting the British food industry? That is not to say that I am complacent and that there is not more to do. All the practical measures I have mentioned will have a greater impact on helping consumers back the British farmer if they want to do so than the hon. Gentleman's costly and bureaucratic solution. That is why I urge the House to support the Government's amendment and reject his ill-thought-out proposals.

8.34 pm

Tim Farron (Westmorland and Lonsdale) (LD): It is important to know the truth about what we buy. The description on the outside can be technically accurate, but a million miles from reality. For instance, in 1997, some people thought that they had elected a Labour Government. If I may pour some opprobrium on myself, I can say that in 1995 I led my then 11-year-old younger brother along the righteous path of supporting Blackburn Rovers on the prospectus that they were premier league champions and therefore the best team in the country—all technically true at the time. It has since led to significant disappointment, albeit character building.

Accurate labelling of British meat produce, however, actually does matter. It matters because consumers have the right to know what it is that they are eating. As things stand, lambs imported from France but slaughtered in the UK can be passed off as British produce. Pig carcases brought in from Ireland and processed into sausages in the UK can be sold as British sausages, and milk from Belgium that has been churned in the UK can be sold as butter from Britain.

When consumers make their choices, they should do so with the fullest possible range of information. The current situation is not acceptable, because it effectively allows shoppers to be conned into believing that they are buying British when they are not. It is not simply a matter of wanting to buy British for the sake of it. Indeed, many consumers use buying British as a reliable proxy for shopping ethically. That is the case because British standards of animal welfare, and of environmental impact in farming, are among the highest in the world. Of course, buying genuinely British produce means reducing food miles, and significantly cutting the carbon emissions involved in food production.

Mandatory country of origin labelling would allow us to make those ethical choices with confidence. Of course, investing in the best possible animal welfare standards and in the highest environmental specifications is not cheap, as has already been pointed out. Even with mandatory labelling, we still face the problem of the produce of other countries gaining a competitive advantage from lower standards. Equalisation of standards across the EU to British levels is crucial if we are to tackle climate change, improve animal welfare standards and give our farmers the benefit that they deserve for taking the lead in ethical food production. But the Government are wrong if they think that that is all we need to do. If I were permitted to merge the Conservative motion with the Government amendment—taking out the odd word, of course—we would have a perfectly presentable proposition, but even combined, those solutions would be weak and inadequate.

The Conservative motion is fine as far as it goes—there is nothing in it to disagree with—but I would question why the concentration is simply on country of origin labelling. If we are to empower consumers, we must ensure that they have information on environmental impact, such as the carbon, energy and water use impacts of the produce, as well as country of origin. Given that British produce incurs fewer food miles and has a more benign environmental impact, environmental labelling would also be a boost for British farming. We surely do not want some kind of complicated, expensive and bureaucratic multiple scheme. The answer must be a simple and straightforward labelling system that incorporates all that information.

Mr. Richard Benyon (Newbury) (Con): I note that the hon. Gentleman refers to himself as the shadow Secretary of State for Environment, Food and Rural Affairs. Can he therefore tell us what he meant by calling in the *Western Morning News* some months ago for proper regulation of prices in the food chain? Is that a Liberal Democrat prices and incomes policy?

Tim Farron: We believe in having a proper supermarket regulator to ensure that we do not just have the surface intervention that we have talked about so far in this debate. We need effective intervention to create fairness in the market, on behalf of farmers in the hon. Gentleman's constituency and mine. It is a shame that the Conservative motion has overlooked the environmental aspects of labelling. It must be a blind spot for the party.

Mr. Stephen O'Brien: I am intrigued by the idea that the hon. Gentleman would like to support both the Opposition motion and the Government amendment. I want to understand how he makes the choice between our words, which call

"on the Government to introduce a mandatory country of origin labelling scheme"

and the Government's, which call

"for tougher and clearer country of origin labelling across Europe."

The Government do not use any reference to introduction or to the word "mandatory". Is the hon. Gentleman supporting each side in the same way?

Tim Farron: I am grateful to the hon. Gentleman for his intervention, but he clearly misheard me. We will vote for the Conservative motion and against the

[Tim Farron]

Government amendment, for the reasons that he has given. The point is that there are many good things in the amendment; the Government talk about the need for fairness and equivalence across the European Union, and that was what I meant in talking about points with which we would agree.

Mr. Heath: I am very concerned by what I heard from the hon. Member for Newbury (Mr. Benyon). It seems that the Conservatives do not agree with the point that I have repeatedly made and that many hon. Friends have made: there is a need to regulate the supply chain in the dairy industry. Every dairy farmer whom I know in my constituency wants to see that, but the hon. Member for Newbury does not.

Tim Farron: My hon. Friend is right. We are talking about farm gate prices and the exploitation of the farmers whom the hon. Member for Newbury (Mr. Benyon) claims to represent and to stand up for. We are talking about a visible hand in the marketplace to ensure fairness—something we are not hearing from the other two parties.

A year ago, in DEFRA questions, I asked the Secretary of State to introduce a mandatory food labelling scheme, and I know that I was not the first to do so. The problem then, and now, is that without a regulator to enforce such a scheme, it would have limited impact. British farmers struggle because of the economic system in which they operate. Clear labelling would give consumers choice and allow British farms to take proper advantage of their high standards, but it would not change the reality, which is that our food market is dysfunctional and hopelessly unfair.

British consumers and British farmers are disadvantaged by the overwhelming market power of the huge retailers and processors. In response to this situation, others have called for a relatively passive market ombudsman, as we have already discussed. The person in that position would oversee the market and investigate complaints. Like the motion, that is okay as far as it goes, but I want to see something far more powerful. In other words, I want to see the introduction of a supermarket and food market regulator that will ensure fair prices and fair practice with regard to all produce—a strong and enforceable code covering the full range of grocery outlets, backed by a robust and proactive enforcement mechanism that would allow a labelling scheme such as the one suggested by the hon. Member for Arundel and South Downs (Nick Herbert) to work. The work of a proactive regulator would also prevent powerful players in the market from abusing their power.

Mr. Paice: I think that the House deserves a little more clarity about what the hon. Gentleman is proposing. Can he confirm that the role of that regulator is far in excess of that recommended by the Competition Commission? The hon. Gentleman has referred repeatedly to fair prices, and does he agree that they can be achieved only if the regulator has the power to intervene in setting prices? That is a throwback to the policies of the '60s and '70s rather than a policy of today. Will he make it clear whether it is Liberal party policy?

Tim Farron: I can make it absolutely clear. We are talking about ensuring that farmers get a fair price at the farm gate for their produce. If that means intervening and outlawing unfair exploitative prices paid by large companies on the processing and retail sides of the food chain, we stand absolutely full square on the side of the exploited British farmer. We are not paying lip service to one problem that is relatively easy to solve; we are dealing with a systemic problem that is affecting British farming.

Mr. Andrew Turner: Does the hon. Gentleman not understand that the choice is between an interventionist system of the kind that he has described and leaving the common market? That is the choice.

Tim Farron: That is a very interesting point. Clearly, in a free society, we surely should be able to intervene to ensure fair prices for those people in the marketplace who are least powerful. That is crucial. I will come to food production and food security later, but if we are to ensure that security, we must have some means to guarantee it. The hon. Gentleman is essentially saying that we must accept the over-weaning power of certain sections of the food market and that we can concentrate—

Mr. Deputy Speaker (Sir Michael Lord): Order. I am reluctant to intervene, but I trust that the hon. Gentleman will relate his remarks to labelling.

Tim Farron: That is indeed what I am proceeding to do.

To recap, we will support the Conservative motion, but it is important to highlight that we believe that accurate food labelling should be only one aspect of a more comprehensive approach to ensuring a fair market in food production. The hon. Member for Arundel and South Downs, to whom I pay tribute and whom I welcome to his new role—he made a strong and sound case for his motion—stated his belief in mandatory intervention, but that belief appears to start and end with accurate labelling. Indeed, he stated at the NFU conference last week that

"a culture of responsibility is better than a culture of regulation".

That sounds chillingly similar to the approach of his shadow Chancellor and, indeed, the Prime Minister ahead of the banking crisis, but I agree with Peter Kendall, the NFU president, who said that

"when there is proven abuse of the voluntary approach, and it has been tried and tested and failed, that tells me that regulation is urgently required".

The Conservatives have not chosen to debate British agriculture, as has been mentioned, and the wider fundamental and systemic problems that face our industry; instead, they have chosen to discuss a very important symptom of those problems. For what it is worth, the Conservative proposal on this issue mirrors ours—congratulations to them—but although we will support the motion, I cannot help but observe that it simply represents the party of the free market complaining about the consequences of the free market.

We need regulation that will help our farmers and consumers, and we need to be consistent in our demands for fairness throughout the market. How many of us go shopping and seek out Fairtrade coffee in one aisle, before heading down another aisle to buy milk to put in that coffee sourced from an exploited British dairy farmer who is paid less for that litre of milk than it cost

them to produce it? I am passionate about ensuring fair trade for coffee growers in Colombia and for dairy farmers in Cumbria.

Of course, consumers can achieve a lot by buying Fairtrade produce and by buying British produce, and that is why it is so important that we have a comprehensive and mandatory food labelling system to empower consumers and to give them the information that they need to exercise choice, but consumer action is not enough. Farmers and consumers have the right to expect that their Government will be on their side, and now is the time to intervene and to take sides.

We take the side of farmers and consumers, not big business. I am not anti-market; but in food production as in banking, we want the market to be our servant, not our master. When we have huge fluctuations in production, short-sighted profit chasing by over-powerful supermarkets and farmers struggling to survive, the market is not working.

Rob Marris: Would the hon. Gentleman care to say something about the operation of the market and food security? It seems to me that the operation of market in the UK is not doing as much as it should for food security, which is a relevant issue when we are discussing British agricultural production.

Tim Farron: That is absolutely correct, and the hon. Gentleman makes the point well. Ensuring that we have a form of fair trade for British farmers means that we maintain capacity in our farming sector and that we do our bit to ensure that we have food security within our borders and, indeed, that we contribute to production across the world. I will attempt to reach those points very shortly.

If I can crave your indulgence, Mr. Deputy Speaker, I shall cite two great liberals. Adam Smith famously talked about markets reaching equilibrium through the movement of the invisible hand in the marketplace. He suggested that markets will naturally ensure a fair and appropriate outcome, but I am afraid that that works only if we assume that markets are rational and that all the players are equally balanced in power. The increasingly fashionable John Maynard Keynes would, of course, disagree. He said:

"The market is able to remain irrational for longer than you can remain solvent."

How many people whose homes have been repossessed, how many unemployed workers and how many British farmers can identify with that statement today? The debate is about British agricultural production and food labelling, but if we are not careful, there will be barely any British agricultural produce left to label.

In the past two years, we have lost 900 million tonnes of milk production capacity. That represents a staggering 8 per cent. drop. On a human level, that is two dairy farmers leaving the industry every day. As we have heard, the British pig industry has shrunk by 40 per cent. in a decade. We now import 81 per cent. of our bacon and 45 per cent. of other pork products. Some 70 per cent. of that imported pork was reared in conditions that would have been illegal in this country. Our historical uplands are shedding skilled hill farmers at a rapid rate. I am thinking of valleys such as Longsleddale in my constituency; of the eight working hill farms still there, only one has a possible line of succession. Not since the black death have we seen such a reduction in our food production capacity. Incidentally, given the Government's decision to flout Sir Iain Anderson's recommendations and not upgrade the Pirbright facility, who is to say that the black death might not be back on the agenda some time soon?

Of course, the reduction in farming capacity after the black death was a consequence of—how shall I put it?—a reduction in demand for food, but the Government are overseeing a terrifying drop in farming capacity at a time when the world population is set to increase by 50 per cent., and demand for food is set to double in the next 40 years. Is it not madness that because of an inability to make markets work for us, we are allowing ourselves to become dependent on environmentally damaging imports—on the produce of developing countries that ought to be concentrating on feeding their own impoverished populations?

Mr. Drew: I shall be brief. Despite my feelings about the EU, I point out that surely at the core of the issue are the World Trade Organisation rules. The whole point about those rules is that they are rigged in favour of big farmers who produce genetically modified organisms. Surely that is something that we must fear.

Tim Farron: I certainly agree that the rules are, by and large, rigged in favour of powerful players. It is the same on the international stage as it is here on the British stage. We can talk about fair trade all we like, but we will mean it only if we are prepared to take action on the issue. That is why a supermarket regulator is so important.

Surely it is madness if our inability to make the market work for us means that we allow our food capacity to drop like a stone. The Government are presiding over a reduction in food production capacity, but can they not even at this stage learn the lessons from the Conservative failures of the 1980s, when the Conservatives allowed much of our manufacturing industry to disappear? The foolishness of that is only too apparent now. It is not too late for the Government to intervene to support British agriculture and ensure security of food production, world-class environmental and animal welfare standards, and a thriving future for our farmers. Introducing a mandatory labelling scheme is one step that they could take, and I appeal to them to do so.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. Before I call the next speaker, I remind the House that although there is no time limit on Back Benchers' speeches tonight, time is running out. It would be a good idea for all hon. Members who want to catch my eye to bear in mind the amount of time left, so that we can allow as many colleagues as possible to contribute.

8.53 pm

Alan Simpson (Nottingham, South) (Lab): Mr. Deputy Speaker, I am glad to have caught your eye, given the number of Labour Back Benchers who want to speak. Like the Minister, I want to speak about two aspects of the motion: the specifics of the case for mandatory labelling, and the wider and larger issue of food security.

[Alan Simpson]

My hon. Friend the Member for Wolverhampton, South-West (Rob Marris) has quite properly raised the subject in every Member's contribution, so I want to declare that I will address that issue.

It is important to acknowledge that across the world, virtually every political party in every Government has attempted to shelter behind a misleading definition of country of origin. In some respects, the origins of that definition are to be found in the rules of the Codex Alimentarius Commission and the WTO. That definition describes the country of origin as the last place of substantial change.

The public are well aware that if, for instance, someone buys a Vauxhall car that is claimed to have been made in Britain, it should not surprise them if the spark plugs in the car come from somewhere else. That would not mean that the substantial change in the construction of the car did not make it British. However, if a product such as a Cumberland sausage is marketed as a British Cumberland sausage, the substantial change, as far as the public is concerned, is not to be found in the origins of the recipe or the origins of the assembly, but in the origins of the meat.

We have allowed ourselves to be caught in a confusion which is exploited by those parts of the international food processing chain which seek to dominate and exploit food markets, rather than to pursue sustainable food markets. The misleading of the public is incorporated into the global rules that are creating much of the chaos and food insecurity that we urgently need to address. It is wrong to blame a Labour Government for 10 years of inactivity and an absence of progress.

The absence of progress goes back at least 42 years. I do not blame the Minister for not being aware of that, as it was clearly before she was born. In 1966—the last time an English football team won the World cup—the Food Standards Committee was asked to examine the abuse of the words "fresh", "natural" and "pure". In the discussions and deliberations that followed, from that time until last year, the matter was bounced backwards and forwards in a series of consultations that sought to secure a voluntary agreement on the meaning of the words.

In 1987, a trading standards survey looked at how supermarkets and shops were treating those labels. It found that 79 per cent. of the shops were downright misleading and 11 per cent. were extremely dubious. Only one in 10 of the marketing claims had any truth in them. That illustrates the difficulty with the voluntary path. It has taken a prodigious amount of time to get next to nowhere. We must recognise the urgency of the matter, not only because the public have a right to know, but because outside the House there is a drive and desire on the part of the public to shop ethically and sustainably where they can. In many cases that means a relocalisation of their food agenda. I welcome that, but we should be aware how far we are from such a process.

I shall refer to two reports. The first was produced at the beginning of last year by Sustain: the alliance for better food and farming. It is called "Ethical Hijack" and catalogues the systematic attempt to mislead the public with claims that are not true. Earlier I mentioned farmers markets. There was a case last year arising from the fact that Heinz introduced a soup called farmers market soup, even though none of the ingredients had come from a farmers market.

When that was challenged at the Advertising Standards Authority, the case failed. It was claimed that the contents came from farmers, and that the product was being brought to market, so technically it could be called farmers market soup. That did not equate with the terms as they would be understood by the public. Real definitional ambiguities are being exploited by those responsible for the labelling in order to deceive the public. It is an act of marketing deception.

Mr. Drew: I am glad that my hon. Friend raised that case. I know a bit about it, as I was one of the complainants. We got down to whether there should have been an apostrophe and, if so, where it should have gone. The problem was that Heinz rose above the fray, so to speak. Its representatives said, "Look—we're just going to do it." There was no comeback whatever; without going through a whole court process there was no possibility, apart from appealing to its better judgment, of getting the company to rethink. It refused to do so.

Alan Simpson: I am grateful for that intervention, because it strengthens the point that I am trying to make. There should be a mandatory framework, mandatory definitions, mandatory penalties and a mandatory time frame. The last thing that any of us have is the luxury of another 42 years of meandering around, systematically going nowhere. *[Interruption.]* None of us has that luxury, although we may wish to.

There has been a terrible sense that labelling has been abused in this country. I feel sorry for Patrick Holden, the director of the Soil Association, who in June 2007 found himself denounced in a *Guardian* article. The newspaper had put a trail on the locally, organically grown carrots from his farm in mid-Wales, which were purchased by Sainsbury's supermarkets for sale. It found that the carrots had been taken to a super-packer in East Anglia and that by the time they finally reached the shops back in mid-Wales, they had travelled 230 miles—which stretches the notion of "local" beyond credibility. The same applied to carrots bought at Waitrose, which were labelled as having been selectively chosen from "local growers"; those growers happened to be local in Italy. So, too, with bags of parsnips: they were labelled "Organic English", but sourced in Scotland. Watercress, labelled as having been grown by the sparkling chalk streams of Hampshire, had been imported from Portugal.

David Taylor: It's Hampshire on the Algarve!

Alan Simpson: There are long rivers in Hampshire.

All that takes us into the world of the absurd, and there is a real danger that the discrediting of the labelling process discourages the public from acting ethically, as we desperately need them to.

In 2006, the National Consumer Council did a survey called "Greening Supermarkets". It found that fresh vegetables labelled as seasonally available in the UK included leeks from Kenya, watercress from the USA, carrots from Egypt and cabbage from South Africa. All that went on behind the guise of misleading labelling. That is what happens when we try to drive changes through a voluntary process. It is a licence to cheat.

Supermarkets compete with each other for volume of sales, and when one starts to cheat, the pressure for others to join them increases. We have to engage with the case for mandatory labelling—not only for UK meat, but for UK food produce in general.

I want to go on to a second report, about a bigger issue. The Soil Association has just produced "An inconvenient truth about food", which takes us into the most difficult and challenging food security issues faced in the UK. Historically, UK Government policy, as espoused by the Department for Environment, Food and Rural Affairs and the Treasury, has been fundamentally ill conceived on the issue. The problem goes back not 10 years, but to 1817, when David Ricardo wrote "Principles of Political Economy and Taxation". He set out the theory of comparative advantage; the example that he used was the trade between the UK and Portugal. Since then, the UK has hidden behind a presumption that it did not really matter what we produced ourselves, because there would always be plenty of food "out there"—wherever "there" was. Britain was a trading nation, we should make a virtue of that, and if that meant a decline in UK farming and food production, well, "C'est la vie".

We are now faced with a fundamental change in the economics and politics of world food supply. Since 2006, there has been a steady escalation in global food prices. There have been food riots in 14 countries, from the tortilla riots in Mexico to the pasta protests in Italy. We are seeing a fundamental shift in the notion of food security and self-sufficiency. Even UK supermarkets are starting to acknowledge that they can no longer move their purchasing plans around from country to country, hopping between continents, because of countries' increased reluctance to export food when they cannot feed themselves. Since June 2008, the consequence of that in the UK alone has been an increase in staple food prices of 13.7 per cent. That is felt in the wallets and on the kitchen tables of households across the country.

What we are being asked to address as a Parliament, and what the country will have to address, is the word "resilience". What food resilience is there in the UK? Resilience means the ability of our country to deal with food shocks and long-term changes in food supply. I want to list the weaknesses in our current position that make us non-resilient. We are massively dependent on nitrogen fertilisers. Last year, we imported 1 million tonnes of nitrogen fertilisers, which are 310 times as damaging to the environment as carbon dioxide. We are heavily dependent in that we do not source our own fertilisers but have to import them from abroad. Sixty-nine per cent. of the pesticides used in the UK were imported from outside. Ninety-five per cent. of UK food is oil-dependent.

Most worrying of all is the question of UK soil. Twenty years ago, the country was warned that almost half of the soil in the UK was vulnerable to erosion. The Environment Agency estimated that in the years 1995 to 1998 we lost 2.3 million tonnes of agricultural soil to erosion, directly as a consequence of our reliance on intensive farming. We have at various times discussed in this House our dependence on peak oil, but we have had no discussions on peak food or peak phosphate. Phosphate is a finite mineral resource that will be under huge pressure, given the increasing demands from China and from India. In the past few months, phosphates have increased in price by 700 per cent. to over £185 a tonne.

We need to address all those issues when we consider how resilient UK food policy is, even before we begin to build into the equation the role of food and the land in meeting UK carbon emission targets. We need a UK plan for food; what we have at the moment is a million miles from that. We have a policy based on a wing and a prayer. This country, and our future generations, require an awful lot more than that.

9.9 pm

Mr. Stephen O'Brien (Eddisbury) (Con): I can keep some of my remarks brief, on the basis that the case for improved food labelling in this country has been made very cogently by my hon. Friend the Member for Arundel and South Downs (Nick Herbert). My job is made easier by the fact that the Minister did not even attempt to say why the do nothing policy of the last 10 years was justified.

Normally, when talking on this subject, I start from the point of view of those whom I represent in Eddisbury—the farmers, producers and those allied to food production in a constituency that is at the heart of the largest and most productive dairy field in Europe. I pay tribute to all those who participate in the farming sector in my constituency, dealing with meat, potatoes and all the other foodstuffs that Cheshire is famous for. I introduced a food labelling Bill very early on as an MP, following my entry after a by-election in 2000, and I did so again in 2002. The matter has since been taken on by others, not least my hon. Friends the Members for Brentwood and Ongar (Mr. Pickles) and for South Norfolk (Mr. Bacon). Every time, we have come up against this Government, who have mouthed warm words. They have been determined to see us off, but nothing has happened. We have had 10 years of sclerosis over this law, which is needed as much now as it was then.

Instead, I have decided to start with an attempt to interpret the thoughts and motivations of Labour Ministers and the Labour party in government. They came into office very suspicious of farmers—even despising them to some degree. I do not think that was just to do with the fact that farmers were landowners, but because, as they saw it, farmers did not represent consumers, and consumers equalled voters. The Government were obsessed exclusively with voters, rather than taking into account the interests of the whole nation. They got rid of the Ministry of Agriculture, Fisheries and Food, and got rid of producer representation at the Cabinet table. They introduced the Department for Environment, Food and Rural Affairs, and then subsumed agriculture and the farming interest into something far more focused on the consumer interest. That was followed by the Food Standards Agency, which began with DEFRA—indeed, it was prayed in aid by the Minister—but as soon as they could, they offloaded it from DEFRA, and gave accountability for it to the Department of Health. It is at arm's length to such an extent that we have not had a Health Minister talk about that subject for as long as I can remember, and I have been a shadow Health Minister for three years. There is an absence of Government accountability for producers. They have put everything on a consumer basis.

That helps us to understand why something has gone seriously wrong with food labelling. The Government's instinct is to recognise that our arguments are sound

[Mr. Stephen O'Brien]

and well based, and much of the Government's amendment to the motion, and the Minister's speech, shows that they agree with many of our arguments. But when it comes to the nub of the matter, what has to change to take us from inaction and ineffectiveness? We still have the same problem. There are examples of Union Jacks on Thai imported chicken stuffed with hormones. There are examples even today—there certainly were 10 years ago—of pork pies coming from Brazil. They are not the problem as far as traceability is concerned. The example I gave 10 years ago was of something called the "swine stamp"—people knew exactly which pig was the source of which product because in Brazil they have traceability down to a fine art. The problem was that it was packaged with a Union Jack on the front once it reached these shores to be processed and sold. The same is true of Swedish meat products, where traceability is provided through swedishtasty.com—which is interesting nomenclature.

My hon. Friend the Member for Arundel and South Downs has always raised the issue of bacon coming from Denmark, as I did 10 years ago. It has been very uncompetitively produced, as opposed to British production—

Mr. Roger Williams (Brecon and Radnorshire) (LD): Very competitive.

Mr. O'Brien: Well, it was uncompetitive from our point of view, of course.

Some 10 years later, we still have bar-coding technology and a voluntary code for supermarkets that is not working, despite our praise for their promotions of British production from time to time. We have heard the Government using the same words that they use in the motion today, which is distinct from the mandatory introduction that we propose. They are simply calling for better food labelling provisions, and they are calling on the EU to do something. That has not worked, and in the context of the commoditisation of food production of premium products in this country, our farmers have been left in an unfair position. That is why we have to argue strongly for food labelling. This is not just a narrow point, because it brings to a head many of the issues that give us a fair position in the marketplace, give our farmers a fair chance to compete, and above all, allow the consumer to make an informed choice. That informed choice will ensure that consumers can give the support to the British farmers that they often want to give, but it will be a choice.

I have been much encouraged by some of the statements by the Secretary of State and the Minister, but unfortunately the situation has always collapsed when it comes to actually changing the law. The Government's approach has shown a clear obsession with the consumer interest and negligence of the producer interest. In fact, the interests of consumers and the nation are best served by ensuring that consumers have an informed choice, and that they have the abilities that we propose.

I shall not run through the detail of what can be done legally, because it is in our motion and our plans, which I am glad the Minister has read in detail. I suggest that, as we have argued for many years, the Government get some new advice, for goodness' sake try, and above all show leadership. Many people have argued that we need to ensure that we gain the benefits that the EU gives us in the marketplace, but it has absolutely failed to provide leadership in this area. Instead, there has been followership. The EU has followed the pace of the slowest performer across Europe.

The Government have been given much information and many warnings over the past 10 years, and they need to represent our farmers, who are some of the most high-quality, efficient farmers in the world, let alone Europe. We need to ensure that those farmers get a proper chance to compete and to supply the market. We need leadership from the Government, in the lawful way proposed by my hon. Friend the Member for Arundel and South Downs in his cogent speech. That is the way forward, and it is our policy. The Government should forget pride of authorship and whatever advice they have been given over the past 10 years, which has clearly been wrong. We want to see our policy delivered, and frankly, we are quite happy for the Government to steal it. If they do not introduce it, we will. I hope that the chance will come soon.

9.16 pm

Bill Wiggin (Leominster) (Con): I read *Farmers Weekly*, and this morning when I was reading the editorial comment, I saw that Jane King could not tell the difference between what the Conservative party believes in and what the Government believe in. I hope that she will read the speeches made in the debate and see that there is a massive void between a Government who are determined to protect the European Commission from making any decision whatever and my own party, which is determined to make a difference, to fight for our farmers and to allow our consumers to help our farming industry.

The Minister was right to mention the egg sector, but her speech was definitely a rotten one. She did not even manage to answer my question in an intervention about what she was doing to ensure that the Ministry of Defence bought British bacon for our troops. They are fighting for us and dying for us, and they deserve to be fed by us. I hope that she will do what she can to put the situation right.

As for the Liberal Democrats, they are absolutely right in their soundbites and I hope that they get their policies in order so that the dairy farmers, who know that they are being exploited, at least hear something that they can hope will be delivered. At the moment, the Liberal Democrats do not have a policy that has any credibility whatever, and I am sorry about that.

In my constituency, farming really matters. The 2001 census showed that there were more than 3,600 people employed in it, which represents 9 per cent. of the local work force. My constituents need this Government or any Government to do three things, and the next Conservative Government will certainly do them. The first is to examine the red tape burden on our farmers. Compulsory electronic ID tags for sheep have been trialled in my constituency, and one of my constituents wrote to me saying that they had

"found the system was not practicable or reliable enough to work on a one man commercially run flock."

I hope that the Government will listen to the people who have been trialling such things and do their best to ensure that such unnecessary burdens are not heaped

upon our sheep farmers. The nitrate vulnerable zones that have been rolled out across large parts of our county are simply an extra burden, and I suspect that they will not deliver the benefits envisaged in the Government's well-intentioned policy. They will cause more trouble, difficulty and cost, and they will not deliver the clean water that we want.

The next problem is the Government's policy. I do not think that farmers feel that the Government are supporting them, and there is no finer example of that than the cider producers in my constituency. Bulmers has already closed its bottling plant with the loss of 54 jobs, and, in the Budget in March 2008, the Government increased duties on bottled cider by 9 per cent. In last November's pre-Budget report, they increased them by a further 8 per cent. Nobody could argue that we want anything other than a level playing field on which to compete, but when such extra burdens are added to a fine British industry, one can only despair about what is going through the Government's mind.

Time and again, I raise bovine TB. Hereford beef is the finest in the world—it is the most popular and the best. I am happy to declare an interest in that I have Hereford cattle—I am proud of that. How on earth can we continue to produce the finest beef in the world when only this week I got an e-mail from one of my farming constituents, who has the oldest herd of Hereford cattle in the world, saying that he had 150 cows taken away because of TB? We have the highest badger concentration—nearly four per square kilometre. Those badgers go away and die in agony in their setts. The disease starts with ulcers in their bladders and spreads to the other organs of their bodies. We can move on from the debate about the £100 million of taxpayers' money that is being spent on the TB strategy that is not working, but the animal welfare implications of the suffering of those badgers is unacceptable, and the Government's refusal to do anything about it is simply wrong.

I call on the Under-Secretary to listen carefully to my hon. Friends' comments. We must stop importing cruel practices and stop badgers' unnecessary suffering. We must stop misinforming the public about what they buy and start helping consumers to help our farmers. Most important, we must use the Government's purchasing power to ensure that our troops, our schools and our hospitals get the finest food in the world—that means that it has got to be British and say so on the label.

9.21 pm

Mr. Richard Bacon (South Norfolk) (Con): Last November, the Minister, who is unfortunately not in her place, presented the David Black memorial award at the British Pig Executive breakfast on the Terrace, where some hon. Members were present. It went to Ian Campbell for his distinguished service to the pig industry.

In November 2006, the award was presented to my constituent, Philip Richardson, a distinguished farmer, who has made a big contribution to the pig industry over many years—some hon. Members know about that contribution. A few months ago, I was shocked to hear on "Farming Today" at 5.45 am the sound of Mr. Richardson's voice as he declared that he was leaving the pig sector.

My constituent's farm had 350 breeding sows. Some hon. Members know that a breeding sow produces, on average, a couple of litters a year of 10 progeny each. The 350 breeding sows therefore produced some 7,000 progeny a year. That puts into perspective the problems that pig farmers face when they lose £20 per animal. That does not sound like an enormous amount of money to lose, but when it is multiplied by the number of piglets produced, it suddenly becomes a six-figure sum. I was shocked to hear my constituent's comments because he was one of the first farmers I met when I became Member of Parliament for South Norfolk and he has made an enormous contribution to the industry, as recognised by the award that the Minister's predecessor, Lord Rooker, presented to him only two years ago.

That is only one indication of what has happened in the industry in the past 10 years, during which we have not had the protection—perhaps "protection" is the wrong word and I should say that we have not given consumers the information that compulsory country of origin labelling would provide. I believe that such labelling would have resulted in a greater market share for British producers. The Minister said that the use of the Union flag is known to be a successful marketing device.

I was pleased that, at the Oxford farming conference in January, the Secretary of State said:

> "Under current European regulations, a product's country of origin is the place where it underwent its last significant process. But this can hide where it really came from.
>
> A pork pie made in Britain from Danish pork can legitimately be labelled as a British pork pie. That's a nonsense, and it needs to change."

That sounded remarkably familiar. Indeed, it could have been lifted from a speech that my hon. Friend the Member for Eddisbury (Mr. O'Brien) made many years ago when he introduced a private Member's Bill on the subject. Like my hon. Friend the Member for Brentwood and Ongar (Mr. Pickles), I tried to introduce a Bill—most recently, last October and before that, in 2004—along the same lines. I welcome the fact that the Government are now on the same page in recognising that labelling is important and that it contributes to better consumer information. However, I cannot understand their reluctance to take on—or at least argue the case with—the Commission more forcefully than they have done.

It is important to nail one thing clearly. It is logically impossible to suppose that providing greater transparency to consumers in a given market could, in itself, favour one product over another. It would not do that; what it would do is improve the operation of the market. Personally, I hope that that market improvement would occur through more consumers, knowing the accurate origins of the food, choosing to buy British-produced food. I make no bones about that; indeed, it is one of the reasons why I would like clearer food labelling.

However, clearer food labelling might not have that result. There might be people who wish to buy Italian salami or French bread. In the days of apartheid, people avoided, for perhaps good reasons, buying South African apples or oranges, which were clearly labelled. They avoided buying them because they wanted to express a consumer choice, and they were entitled to do that. Just after the Berlin wall came down, there were people—I was one of them—who sought out eastern European gherkins to try to support our brothers and sisters in Poland. Having rather let them down in the

[Mr. Richard Bacon]

second world war and left them behind the iron curtain for 50 years, we needed to do what we could to support their growing markets. I made a conscious decision to seek out Polish products in the early '90s. The point is that consumers ought to have a choice.

The Government's voluntary approach has not succeeded and it is not going to succeed. I was talking to a DEFRA official recently who seemed to wallow in his powerlessness. He said, "Oh, it's occupied ground, there's nothing we can do." I say to the Minister—she is not in her place now, but I hope that she reads this debate afterwards—that if she cannot get the right advice, she needs to get new advice. As my hon. Friend the Member for Eddisbury said, it is notoriously true—of both lawyers and economists—that if someone cannot get the advice that they want, they should find a new lawyer. That is what the Government did over the Iraq war, so why can they not do it over food labelling? They should find the right advice, get in the lead and push hard in the European Commission.

There is now much more support for such moves in Europe than there was. I was over in Brussels with the chairman of the British Pig Executive just last June, meeting a German Christian Democrat MEP who was interested in exactly that issue and who was pushing for compulsory labelling of country of origin in the European Parliament. Things have moved on, but the Government need to push much harder than they are currently prepared to.

9.27 pm

Dan Rogerson (North Cornwall) (LD): I shall be brief, because other hon. Members wish to get in on this debate.

I am glad that we have heard a little in the most recent contributions about the wider issues of self-sufficiency in the industry. The hon. Member for Leominster (Bill Wiggin) referred to the bovine TB crisis. Only last night, very late on, I received a message that one of the farmers in my constituency was facing repossession. The blame for the problems that he has experienced, which are also obviously connected with other financial issues, can be laid at the door of the bovine TB crisis and the Government's inaction. Fortunately, I heard this morning that, following the small contribution that I was able to make and, I am sure, the excellent representation that he received, a deal was struck and that farmer is able to continue on his farm. However, many farmers throughout the country face great difficulties, so I was pleased that the hon. Gentleman raised the issue. I also echo his comments about the Government needing to tackle the problem and act on the recommendations of the report by the Environment, Food and Rural Affairs Committee, of which I am pleased to be a member.

I want briefly to address the wider issues of labelling. Indeed, I was grateful when I heard yesterday that labelling would be the topic of debate this evening. Along with colleagues in the Department of Health and the Food Standards Agency, the Government need to address issues connected with the nutritional information with which people are provided. I should probably put on record the fact that I chair the all-party group on cheese—indeed, there are other members of the group in the Chamber this evening.

We have talked about the diary industry and livestock farmers, and the problems that they face, and we are moving down the path towards the traffic-light labelling system, which has some perverse effects in indicating to the consumer how they can make healthy choices about what they eat. For example, a product such as cheese—a product that has been produced for thousands of years in western Europe; a product that has been not only a core part of our diet through all sorts of experiences, but a part of our culture; a product that is rich in protein and high in calcium, which are vital, particularly to women, who may suffer from osteoporosis later in life—can be ruled out by having red lights all over it, owing to its fat and salt content, yet those red lights are based purely on comparing 100 g of cheese with all sorts of other products.

I am indebted to the Food and Drink Federation for its work on this issue in promoting the alternative of the GDA—guideline daily amounts—scheme. That labelling takes a little reading, but it is far clearer to the consumer and far better in the quality of information it provides.

Mr. Stephen O'Brien: Of course, one can actually get the right solution by completely ignoring the stubborn FSA approach—the traffic light wheel—and going for something like McCain oven chips, because that company has demonstrated that by putting GDA amounts on labels with some colour coding, it is possible to get readable and correct information so that, rather than stigmatising suitable foods, people get a good diet.

Dan Rogerson: I am happy to have taken that contribution from the hon. Gentleman. The issue is often one of portion size and the neutron-proton model is based on 100 g of everything; one does not always eat 100 g of every particular food.

Mr. Roger Williams: I would appreciate hearing my hon. Friend's comments on Ofcom, which uses the 100 g criteria in deciding what products can be advertised to children. Surely cheese is a wonderful product for children as they are growing up and need their calcium and protein.

Dan Rogerson: My hon. Friend is absolutely right about that. In fact, Ofcom is using the guidelines presented by other Government agencies. What it is seeking to do—many hon. Members suggest that it is a good thing—is to restrict advertising of junk food for children, but it is ridiculous when it is absolutely fine to advertise diet fizzy drinks, but not a product like cheese.

I shall not prolong my contribution, as other hon. Members wish to speak. I hope that the Government will look more generally at labelling. In his excellent contribution, my hon. Friend the Member for Westmorland and Lonsdale (Tim Farron) talked about environmental concerns. We have heard a great deal about provenance and origin, which are called for in the Conservative motion, and I hope that the Government will urgently revisit the issue of nutritional information provided to consumers.

Finally, I hope that we will have a debate in this country about the positive contribution that food makes to our national life and culture. We should not constantly reduce the issue to a matter of scientific information, bean counting and number crunching. Food makes a

far wider contribution to our heritage and culture, which we should be celebrating. *The Times* reported just before Christmas that the French Government are funding research into what makes a good meal and what contribution that makes to the national life. We should do the same in this country and speak far more about the positive contribution that the food industry and food generally make, rather than continually sending out a message of "Thou shalt not" about the foods that people should eat.

9.32 pm

Mr. David Jones (Clwyd, West) (Con): My hon. Friend the Member for Leominster (Bill Wiggin) has asserted with absolute confidence that the finest beef in the world comes from his constituency. I am pleased to assert with similar confidence that the finest lamb in the world comes from my constituency. Generations of farming families in Clwyd, West have applied their hard work and expertise to creating a unique, high-quality product. It is therefore entirely understandable that those farmers should feel incensed that the laws of this land are so haphazard that they allow meat products from other parts of the world to be described quite legitimately as having been produced in Wales or in the UK when the only acquaintance of such meat with these shores is that the animal has been brought here for slaughter and processed.

That is, in a very real sense, theft. It is the theft of the good will built up by generations of British farmers in producing a high-quality product that people want to buy. They want to buy it because it tastes better, because they know that it has been produced in clean conditions without undue suffering to the animal, and has not been stuffed full of growth hormones and antibiotics. They also know that it has been produced reasonably locally and is not contributing to excessive carbon emissions by being flown half way across the world. Under present arrangements, however, those consumers are being cheated. The label says one thing, but the truth may be entirely different. Under the present arrangements, the consumer does not have a clue about the true origins of the meat being put on his plate. That, on any analysis, is an outrageous state of affairs.

The Government acknowledge in their amendment that

"clear and unambiguous labelling stating the country of origin of the major ingredients for meat and meat products would level the playing field for British farmers and enable British consumers to show a preference for food which is produced to high standards of animal welfare".

However, expressing that pious belief does nothing to improve the current regrettable state of affairs.

The Government say that it is to the benefit of consumers if supermarkets and retailers comply with the FSA guidance on country of origin labelling, but the difficulty is that the guidance is just that—guidance. It is not mandatory, and the preamble makes it clear that compliance with the advice on best practice is not required by law.

In any event, the guidance notes are widely ignored by retailers. For example, they suggest that

"to describe a rabbit pie that is made in the UK from imported rabbit as 'Produced in the UK' would not be best practice."

However, typical of the supermarket response to the guidance is that of Tesco, which was quoted in *The Independent* on 30 January 2009 and said that

"'produced in the UK'... will be in small writing on the back of the pack and is intended only to indicate where the food has been produced. It is not used in a way that suggests any of the ingredients are British and is not used to market the food as a 'British' product."

Well, clearly it is.

The current state of affairs is unsustainable. It is nothing short of a disgrace that supermarkets and processors are at liberty to plaster food products with Union flags or Welsh dragons and say that they are produced in the UK or in Wales when they are not British and could not, even on the most charitable interpretation of either adjective, be described as such.

The Opposition motion certainly should be supported. Proper food labelling is urgently needed and long overdue. I urge hon. Members on both sides of the House who have expressed sympathy with the motion to vote for it. I have no doubt that we will be applauded by the consumer and the food producer alike.

9.36 pm

Dr. Andrew Murrison (Westbury) (Con): I declare an interest as a keeper of rare-breed pigs. I have four minutes to cover pigs, pork and bacon.

I am very proud indeed of the animal welfare standards in the UK, but the rest of the EU seems to be capitalising on our good nature. Rightly or wrongly, most of our constituents believe that their Government observe and gold-plate EU directives that the rest of the EU pays lip service to. That impression, I am afraid, is borne out by the sad story of the British pig industry.

What on earth did the Government think would happen when, in 1999, they changed pig welfare standards unilaterally, without the possibility of any form of import control, so that cheap meat from pigs kept in lousy conditions would flood the UK market and trash indigenous mid to low-end production? The Department for Environment, Food and Rural Affairs has visited some pretty dreadful things on farmers these past few years, but as an exercise in sheer stupidity that takes the biscuit. The result has been that we have simply exported cheap, cruel meat production to the continent.

Today, we have heard a lot about the misdeeds of supermarkets. I was in a supermarket in my constituency at the weekend. A big banner said, "We only sell British Pork". Many would think that that included bacon, but the sainted Jamie Oliver has alerted us to the sharp practices of our supermarkets. And lo, what do we find, but that that particular supermarket is peddling a large quantity of Danish bacon?

As Jamie told the Health Committee recently:

"I think labelling in Great Britain is a disgrace. Categorically, we are run by the EU on labelling."

He is absolutely right. We find on the front of packs "Sourced in the UK", yet on the back—in the tiniest font, illegible to many of our constituents, or at least to those who do not have 20:20 vision—we find that the product is grown anywhere but the UK.

The commercially obliging badge "Produced in the UK" is admissible under World Trade Organisation rules, EU law and the labelling regulations if the very

[Dr. Andrew Murrison]

last stage in the food processing took place here, even if the ingredients on which it is based were largely produced abroad.

A picture paints a thousand words. Idyllic rural scenes on packets of meat scream "Made in Britain". That does not happen by chance, for the supermarket marketing men are well versed in human psychology. Flip the pack over and if people have good eyesight, they will see that the meat is extremely well travelled.

My own favourite is something that its retailer is pleased to call Wiltshire cured bacon. There is a way to cure bacon in the Wiltshire manner. I found it in Mrs. Beeton's cook book at the weekend, and I suspect that the supermarket in question found it there too. I have no way of telling how true to the Wiltshire curing method that bacon is, but that is irrelevant. The purpose of marketing Wiltshire cured bacon is to suggest to the customer that the product is British and therefore trustworthy. Look at the small print and we see that the product is from elsewhere in the EU.

Last month, the Secretary of State stamped his foot and told supermarkets to play fair. He said that they were harming the Government's attempts to get people to buy British food, but this Minister's Government have presided over all this. They have exported our one-time poor animal welfare standards to the continent and have trashed the British pork industry in the process. She may agree with Jamie Oliver that that is a disgrace, but if that is so, it is a disgrace that this Government have presided over.

9.39 pm

Mr. James Paice (South-East Cambridgeshire) (Con): Let me begin by reminding the House of my interests, as declared in the Register of Members' Interests.

Opposition Members are fortunate in that we shadow a team of Ministers who are all, individually, very nice and charming. They may not say the same about us, but that is by the by. That charm, however, cannot disguise their ineffectiveness in dealing with some of our crucial issues. We called this debate with the aim of focusing on just one of the many issues that face agriculture at present, although we do not suggest that it provides the sole answer to the problems of farming.

The hon. Member for Wolverhampton, South-West (Rob Marris) mentioned food security and the need for it to be debated. I remind him that we had such a debate last summer, called by the Opposition, in Opposition time. I do not recall the last occasion on which the Government arranged any debate on agriculture in Government time, and I have to say that the same goes for the Liberal Democrats.

Since the 2003 reform of the common agricultural policy, Ministers rightly no longer have the ability, effectively, to fix farm-gate prices, although the hon. Member for Westmorland and Lonsdale (Tim Farron) apparently regrets that. If the Government really want to promote agriculture in this country, they must use other methods, one of which is to make the market work. If we expect farmers to operate in the free market—and I think most Members believe that that is the right way forward—it is incumbent on Government to make the market work effectively, and one of the key factors in that is ensuring that the consumer is properly informed and able to make a free choice.

I was astonished by the speech of the hon. Member for Westmorland and Lonsdale. Although he was keen to quote people such as Adam Smith, it seemed to me that he had no understanding of the way in which a market truly operates. According to the press release that he issued today, my party is seen as the party of markets, yet now we seek to regulate. We have never suggested that there is no need for any regulation at all. On the contrary, there is a need for regulation when the market fails, and this is a clear example of the market failing.

David Taylor: Will the hon. Gentleman give way?

Kelvin Hopkins (Luton, North) (Lab): Will the hon. Gentleman give way?

Mr. Paice: No, I will not.

That is why we have proposed a Bill to deal with the problem. That is why we support the proposals of the Competition Commission on supermarkets, why we supported the abandoned merger of two milk groups, and why we want all public procurement to specify British standards. We want regulation only where it is necessary, but, as our motion says, in the instance of food labelling the market has failed, and regulation is therefore necessary.

The Minister referred to her constant meetings. The issue of the Jamie Oliver programme has cropped up several times, and she rightly mentioned our participation in it. The recording took place on 3 November, only a few days after the Minister had taken office. She could therefore be forgiven for not having all the answers that I, and others, wanted at the time. That was over four months ago, however, and we still have no answers.

What was disappointing about the Minister's speech was that, although she was critical of our proposal for a statutory approach, she was not able to identify the right way forward. Four months since that recording, when she was exposed to a deceit which she recognised and called a disgrace, we have seen nothing. If our proposal is too broad, and the Minister would rather limit Government action to pigmeat, that is a start, but let her take the proposal to the Commission. If 10 per cent. is too low a threshold for the proportion of ingredients, let the Government ramp it up to 20 or 30 per cent., but let them take it to the Commission. The point is that they have not done that.

It is more than 10 years since the present Chief Whip, the right hon. Member for Newcastle upon Tyne, East and Wallsend (Mr. Brown), proclaimed, as Minister of Agriculture, Fisheries and Food, that he had secured a voluntary agreement. He then talked out my hon. Friend the Member for Eddisbury (Mr. O'Brien). Although the Minister may have been in office in this Department for only a few months, for most of the past 12 years she has been a member of this Government. She cannot deny the Government's failure to address the issue for all that time.

I want also to touch on some of the comments made by Members. The hon. Member for Nottingham, South (Alan Simpson) made a tremendously thoughtful speech, much of which I agree and sympathise with. I do not go all the way with him, however. He is a strong supporter of the organic movement, and it has a great part to play, but what he did not do—I would welcome a debate on

this on another occasion—is address the fundamental dilemma that organic production has lower yields than conventional systems. If we are worried about food security and total production, that crucial dilemma must be dealt with.

The hon. Gentleman also rightly referred to the abuse of words such as "fresh", "natural" and "pure". I am reminded of the recent Cardhu whisky case involving the difference between pure malt and single malt whisky, which eventually had to be resolved by legislation. There is clearly room for a lot more work there.

My hon. Friends the Members for Eddisbury and for South Norfolk (Mr. Bacon), both former promoters of similar legislation, made clear their understandably intense anger that the Government have not taken the matter forward. My hon. Friend the Member for South Norfolk referred to the operation of the market and the need for the Government to push much harder in Europe.

My hon. Friend the Member for Leominster (Bill Wiggin) put forward a number of other issues, including tuberculosis, regulations and the cider tax, all of which need to be addressed. The TB issue was also referred to by the hon. Member for North Cornwall (Dan Rogerson).

Finally, my hon. Friends the Members for Clwyd, West (Mr. Jones) and for Westbury (Dr. Murrison) again emphasised the importance of local food and proper labelling, and my hon. Friend the Member for Westbury made a pertinent comment about the export of cruel and lower standards to other countries if we operate ahead of others.

Much has also been said about food security, and I hope the Minister who responds to the debate will answer some fundamental questions. The Secretary of State has been in post for more than one and a half years, yet all that seems to have changed is the rhetoric. His predecessor, the current Foreign Secretary—presumably until the present Secretary of State for Environment, Food and Rural Affairs gets promoted, as seems to be the fashion in this Government—said in this House that food security was achieved by importing from many different countries. That was met with laughter and astonishment. We have had new rhetoric from the current Secretary of State, at the Oxford farming conference and last week before the National Farmers Union, that he wants to increase domestic production—no ifs, no buts. That is what he said.

What are we to make, however, of DEFRA's website? We find pages dedicated to further reform of the common agricultural policy and to the document published in December 2005, "A Vision for the Common Agricultural Policy", which was signed off by the then Chancellor, now Prime Minister, and the then Secretary of State for Environment, Food and Rural Affairs, now the Minister for Housing. That document is still published on DEFRA's website as the Government's vision for the CAP, and I quote, as I have before in debates in this House, the following statement:

"domestic production is neither a necessary nor sufficient condition for food security."

Nobody pretends it is sufficient, but not necessary? Who do we believe: the Secretary of State with his new rhetoric or the Prime Minister himself?

The Secretary of State's argument is to increase domestic production, no ifs, no buts, as long as the consumer wants it and it is environmentally sustainable. We support that. Who in their right mind would not support it? However, the Secretary of State left out in his proclamations of the last couple of weeks a number of other ifs and buts: "If you can comply with all the regulatory burden; if you can afford the extra storage to comply within the nitrate vulnerable zone regulations; if you can find time to do any farming after you have filled in all the Government forms." There are also a few more buts: "But the Government won't help you to combat TB; but they will charge you for disease control; but you still won't get your money when other countries do; but we will demand repayment if we overpay you—you'll pay up at once; but we won't demand British standards for public-procured food; but you will have to face increased integrated pollution prevention and control or IPPC, you will have to face electronic identification or EID, and you will have to face the availability of pesticides."

There are a lot more buts that the Secretary of State left out, one of which is that we are at the butt end of this Government. They are content to remain in office until the very last moment, but we have learned from this debate that they are prepared to let farmers and consumers suffer while they twiddle their thumbs. The final but is that it is time for the Government to butt out.

9.50 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): I thank the House for a generally balanced and interesting debate. Once again, I welcome the Opposition spokesmen—with one exception—to their new roles. Comment was made that this Front-Bench team was charming. I was going to begin my remarks by saying that the Opposition Front Benchers were charming and a little disarming, although those last comments were not.

The debate has covered an issue that is of concern not only to all involved in the food sector, but to consumers in this country. Rightly, food and how it is produced has never been so high on the public agenda. Why is that? It is because the food market is changing rapidly, and people want and rightly demand healthy, nutritious products produced with a low environmental impact, from sustainable sources and with high standards of animal welfare, clear provenance and environmentally sound distribution. Many of those factors have been raised in this debate. We must also be cognisant of the fact that people also want their food to be convenient and good value. That is a challenge, but for those across the supply chain it is also a unique opportunity. We want to support producers, farmers and everyone in the supply chain to take advantage of this opportunity. That is the only way in which we will build a healthy, thriving agricultural sector.

Opposition Members provided some interesting examples of where they feel that labelling has gone wrong—indeed, there was almost product placement of Marks and Sparks, Birds Eye, and the Co-op and the farmers market in Arundel, which I know we shall all be visiting—but I think that we all agree on the main principle: that we should do all that we can to help British consumers make an informed choice about what they buy and to buy British and support British farmers by choice.

[Huw Irranca-Davies]

The hon. Member for Westmorland and Lonsdale (Tim Farron) made a speech that was very thoughtful in places, but he seemed to be urging us to go back to the sixties a bit, with price fixing at farm gates. His contribution was well-meaning and thoughtful, but consumers will take note and will probably panic at the idea of a Lib Dem Minister pricing the pork off the dinner table in times of economic downturn. The hon. Member for Isle of Wight (Mr. Turner), who I believe is in his place, in an intervention urged him to think again, but in another re-run of decades ago suggested that the solution was getting out of Europe. Both approaches—turning our back on Europe or turning our back on the hard-pressed consumer—are a retreat from reality.

The hon. Member for Eddisbury (Mr. O'Brien) suggested that when Labour came to power we not only had an antipathy towards rural areas, but we actually despised them. That would come as a surprise to the chair of my local farmers union. In 1997—I know that the hon. Gentleman arrived in this place two years later—there were 120 Labour MPs representing rural seats, all advocating hard on behalf of their constituents. He also urged us to show leadership. Is that leadership to get out of Europe or into isolation in Europe? Which would be the better for farmers and which would be the better for consumers?

The hon. Member for Leominster (Bill Wiggin), with whom I have regularly debated various issues in different roles, was very angry. I wondered what my right hon. Friend the Minister had done to wind him up, because he is not normally so angry. We were urged to show determination, and I agree that we need to show determination, as this is a real issue. The hon. Gentleman also spoke up for Hereford beef, which is indeed world class. Together with Welsh Black beef and others, it is recognised for its quality and how it is produced.

The hon. Member for South Norfolk (Mr. Bacon) raised valid concerns about the pig industry. He made some thoughtful comments, but in an apparent Freudian slip he said that it has not had the "protection". He instantly corrected himself, saying that that was not the right word, and he was right. I hope that the House agrees that the last thing that would be in the interests of our farmers, producers, retailers and consumers would be to withdraw into some sort of protectionist mentality. The hon. Gentleman insisted that we will not argue the case with the Commissioner—*[Interruption.]* We will argue the case with the Commissioner, but let us do so on a case with which we have a scintilla of possibility of success, as opposed to the wording of the Conservative motion.

The hon. Member for North Cornwall (Dan Rogerson) is the chair of the all-party cheese group. I would have dearly loved to have recommended to him my father-in-law's pecorino and ricotta, which were lovingly made from sheep's milk on a farm nestling in the foothills of the Brecon Beacons, but it is unfortunately now out of production, and I do not have to declare an interest. The hon. Gentleman made some thoughtful and useful comments on nutritional information that enriched the debate that we have had this evening.

The hon. Member for Clwyd, West (Mr. Jones) paid tribute to the lamb from his constituency. He knows that Welsh lamb as a brand—like Hereford and others—has succeeded in overcoming many obstacles by clearly identifying its origin as a mark of quality and integrity. That is why people search it out. The hon. Gentleman and the hon. Member for Westbury (Dr. Murrison) spoke with passion about mandatory labelling, but the Opposition's proposal is unworkable.

My hon. Friend the Member for Wolverhampton, South-West (Rob Marris) rightly reminded the House of the importance of food security, which can often get lost in technical debate, as did my hon. Friend the Member for Nottingham, South (Alan Simpson), in an intelligent and cogent analysis of the issue from the common-sense perspective of the consumer. His speech was wide ranging: he managed to combine the car industry and the Cumberland sausage—I hesitate to say it, but they are two good examples of British bangers.

My hon. Friend the Member for Nottingham, South argued for a mandatory system to counter the exploitation of labelling and the consumer. There are several ways to do that. We can do it through working with the EU, as we are doing. We can do it by working with producers and the food chain in the UK, as we are doing. We can also explore what else can be done on mandating, but not as in the proposal in the Opposition motion, which would be bound to fail. The question for the Opposition is whether they want us to ignore the ways in which we can make progress now—in Europe and with British retailers and farmers. The problem is that sitting here as legislators, they see legislation and regulation as the only answer. It is the classic issue of a workman who has only a hammer in his toolbox, so everything looks like a nail. We need to use all the tools at our disposal.

As my right hon. Friend the Minister of State has made clear, we need to help people to buy British if they wish and if they choose. For the past 10 years, the Government have been at the forefront of helping consumers to make informed choices. We have established the Food Standards Agency, we have brought into being the traffic light system and we have set out tough guidelines on country of origin labelling—

Mr. Andrew Rosindell (Bexley) (Con) *claimed to move the closure (Standing Order No. 36).*

Question put forthwith. That the Question be now put.

Question agreed to.

Question put accordingly (Standing Order No. 31(2)). That the original words stand part of the Question.

The House proceeded to a Division.

Mr. Speaker: I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 212, Noes 300.

Division No. 40] **[9.59 pm**

AYES

Afriyie, Adam	Barker, Gregory
Ainsworth, Mr. Peter	Baron, Mr. John
Alexander, Danny	Beith, rh Sir Alan
Amess, Mr. David	Bellingham, Mr. Henry
Arbuthnot, rh Mr. James	Benyon, Mr. Richard
Atkinson, Mr. Peter	Bercow, John
Bacon, Mr. Richard	Beresford, Sir Paul
Baker, Norman	Blunt, Mr. Crispin
Baldry, Tony	Bone, Mr. Peter

Bidwell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Butterfill, Sir John
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Horwood, Martin
Howarth, David
Howell, John
Hughes, Simon
Hulme, Chris
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Kelvich, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Lamb, Norman
Lancaster, Mr. Mark
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Ottaway, Richard
Paice, Mr. James
Pelling, Mr. Owen
Percy, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Alan
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Young, rh Sir George

Tellers for the Ayes:
James Duddridge and Jeremy Wright

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank

Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacNeil, Mr. Angus
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
Mason, John
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Meale, Mr. Alan
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Morgan, Julie
Morley, rh Mr. Elliot
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Naysmith, Dr. Doug
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oiner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, Angus
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, John
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Chris Mole and Helen Goodman

Question accordingly negatived.

Question put forthwith (Standing Order No. 31(2)). That the proposed words be there added.

Question agreed to.

The Speaker declared the main Question, as amended, to be agreed to (Standing Order No. 31(2)).

Resolved,

That this House considers that British consumers should have the information that they need in order to make the choices they want when they buy their food; notes that the European Commission has rejected a recent proposal from the Irish Government for national mandatory country of origin labelling for meat and meat products; believes that clear and unambiguous labelling stating the country of origin of the major ingredients for meat and meat products would level the playing field for British farmers and enable British consumers to show a preference for food which is produced to high standards of animal welfare, health and safety and environmental protection; agrees that where supermarkets and retailers comply with the Food Standards Agency's guidance on country of origin labelling that this is to the benefit of their consumers; and further believes that the best way to back British consumers and British producers is to support the Government's calls for tougher and clearer country of origin labelling across Europe.

Business without Debate

BUSINESS OF THE HOUSE

Motion made,

That, in respect of the Northern Ireland Bill, notices of Amendments, new Clauses and new Schedules to be moved in Committee may be accepted by the Clerks at the Table before the Bill has been read a second time.—*(Mr. Blizzard.)*

Hon. Members: Object.

Humber Bridge Tolls

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Blizzard.)*

10.19 pm

Mr. Graham Stuart (Beverley and Holderness) (Con): On behalf of the residents on both sides of the River Humber, I thank you, Mr. Speaker, for allowing this debate to take place tonight. The Humber bridge tolls affect constituents across the whole of east Yorkshire and northern Lincolnshire.

I shall begin by explaining a little of the bridge's history before I move on to its current financial predicament and the impact on local people. In the short term, the Humber bridge board has proposed an increase in the existing toll—already the most expensive toll in the country—of 20p per crossing. Having discussed that, I shall move on to the growing calls from all areas of the local community and all political parties to scrap the debt currently owed on the bridge; it now stands at a remarkable £334 million or more.

Plans for the bridge were originally drawn up in the 1930s, but work on it did not begin until 1972. I am glad to see so many Members from the other side of the bridge in the Chamber tonight. They will remember the infamous Kingston upon Hull, North by-election. it is good to see the hon. Member for Kingston upon Hull, North (Ms Johnson) in her seat today. During that 1966 by-election, in a desperate attempt to save an ailing Labour Government—there may be echoes today—Barbara Castle sanctioned the building of the bridge. At the time, it was estimated that the bridge would cost £28 million to build. However, as a result of Government procurement and mismanagement, for which both sides of the House bear some responsibility, the figure trebled to more than £90 million.

Over the years, in the hands of Governments of both parties, the debt grew in Government books, and it stood at £334.5 million as of April 2006. By 1992, the debt had grown to a whopping £439 million. It was recognised that the bridge board's financial situation was unsustainable and that action was needed. Without Government assistance, the debt would have risen to more than £650 million by 1997. As a result, the last Conservative Government passed the Humber Bridge (Debts) Act in February 1996. That allowed the Secretary of State to reorganise the bridge's finances and write off debts payable to the Government by the bridge board.

Consequently, in 1998 a new loan agreement was signed with the Humber bridge board; £64 million of debt was written off and the rest was suspended and rescheduled. The interest owed on the bridge was reduced from about 12 per cent. to 7.75 per cent. with the aim that the debt would be paid off by 2032. Had the 1996 Act not been passed, the total interest charged would have come in at tens of millions of pounds a year, placing an unacceptable burden on local taxpayers. As it was, interest charges were reduced to £10 million, which was paid for from the surplus of income produced by the Humber bridge board.

In 2007, the Department for Transport reduced the interest rate to 4.25 per cent. following the Humber bridge board's advice that it would simply be unable to

[Mr. Graham Stuart]

service the debt if it remained at more than 2 per cent. It is my constituents, and those of colleagues on the Labour Benches—

Mr. Greg Knight (East Yorkshire) (Con): And mine.

Mr. Stuart: I also include the constituents of my right hon. Friend, whom I am glad to see behind me. All those constituents are paying for that colossal debt. Since the 2006 toll increase, it has cost £5.40 for a return journey across the bridge—£2.70 per trip—and more than £18 for a single lorry crossing. Last year, however, the Humber bridge board made an application to the Secretary of State for Transport for the toll to be increased by a further 20p to £2.90 for a single car crossing.

That decision has caused consternation on both sides of the Humber. The Department for Transport received more than 950 objection letters in just a few months, and the planned increase has been criticised by MPs, councillors, community activists, businesses and community groups. The Hull and Humber chamber of commerce has said:

"The tolls are a barrier to trade, recruitment and investment. They effectively split the Humber area into two separate markets. Any increase would make things more difficult for businesses and their employees".

The four councils in the area all formally objected to the increase. The strength of public opinion has been such that the Department for Transport has been forced to call a public inquiry into the proposals. I myself have sent an objection by way of a written submission, and will give evidence at the inquiry next Tuesday.

The Humber bridge tolls are already the most expensive in the country. For those who travel across the bridge to get to work each day or travel from the south bank to Hull to receive regular treatment at Hull royal infirmary or Castle Hill, where a major and very welcome new cancer hospital is located, £5.40 for a return crossing is a significant financial burden. Increasing the cost of crossing the bridge at a time when unemployment is rising and household budgets are being squeezed would be completely the wrong thing to do and fly in the face of other Government policies that supposedly aim to stimulate the economy. What is the point of making the VAT cut if the Government are going to make the cost of personal travel even more expensive? Many families are struggling to cover the cost of keeping their car on the road and cannot afford such increases at this time.

The main problem is that even if it were decided not to allow the increase in the coming week, there would still be a shortfall in the board's finances. As it states on its website, as part of the refinancing arrangement agreed with the Government in 1998,

"the Board compiled with the Secretary of State a series of financial projections to show how it would meet debt repayments in the future. In order to meet its obligations in respect of these projections, the Board needs to increase tolls at regular intervals. Current projections necessitate increases every two years."

It is ridiculous to visit this on our constituents at this time. How much will users of the bridge be paying in 10 or 20 years' time under these present arrangements?

Mr. Austin Mitchell (Great Grimsby) (Lab): The abolition of the tolls clearly has all-party support. Is it not a fact that if the tolls were removed, the stimulus to development and growth in the area would generate more taxes for the Treasury than it is currently getting through the tolls?

Mr. Stuart: The hon. Gentleman, as ever, puts his finger on the nub of the issue. I will come to those points later on, but I welcome his contribution.

The only long-term sustainable solution to the problem is the removal or substantial reduction of the tolls. Next week's inquiry should be a starting point for a much broader inquiry into the whole issue of the bridge debt and the impact that the tolls are having on the local economy. The bridge cost just over £90 million when it was first built, and in the years since more than £300 million has been paid in tolls, yet we are meant to accept that in the Government's book the board should still owe £330 million. That makes no sense. It is a burden imposed on the local economy, and it makes a mockery of the whole purpose of putting the bridge up in the first place, which was not just to help the predecessor of the hon. Member for Kingston upon Hull, North to get elected but to help the economy of the area.

The Humber bridge board makes two debt repayments to the Exchequer every year. On 31 March 2009, the interest payment alone will be more than £7 million. More than 80 per cent. of the money made from the Humber bridge toll goes towards the interest on the debt. As a result, the total debt outstanding on the bridge has been reduced by just £26 million in the 11 years between 1998 and 2009. This situation cannot continue. The Humber area is the only city region in the country divided by a toll crossing with charges levied at such a rate. The Government have focused on city regions as being the most sensible economic units within which to develop Government policy. To have this bridge dividing our city region rather than bringing it together is madness, as I am sure that the Minister will recognise when he responds.

It has to be said that the Humber area suffers from relatively low incomes and high levels of unemployment. To investigate the economic impact of the tolls, the four local authorities in the region—East Riding of Yorkshire, Kingston upon Hull, North East Lincolnshire and North Lincolnshire—commissioned a report into their impact on businesses and jobs. Many people have said to me, "What is going to be different today when MPs from around the area make the case to the Minister?" I think that that report, entitled "Humber Bridge Tolls Impact Assessment", makes a great deal of difference. It was published late last year by Colin Buchanan Consultancy—the consultants who developed the methodology that was used to look at the economic impact of Crossrail. The methodology that they used in their report has been accepted by the Department for Transport, so it is not to be lightly dismissed.

The report concluded that the abolition of, or a marked reduction in, the toll would improve the region's productivity, lead to greater employment opportunities, facilitate better networking between business, and increase local competition. Moreover, the bridge allows movement of employees, goods, knowledge and information, providing a deeper pool of resources from which the city region can draw.

The report showed that with the abolition of the tolls, the total economy would benefit to the tune of £1.1 billion over the next 25 years. Even reducing the toll to £1 would produce a benefit of £580 million over the same period. The study further showed that the benefits of abolishing the tolls would be felt on both sides of the Humber. Hull would see a 3 per cent. increase in retail spend, adding an extra £45 million to the city economy, while the south bank would benefit from an increased labour catchment area making industrial development there much more appealing.

At the moment, as the 2001 census showed, those living on the north bank of the Humber are overwhelmingly choosing to work in either Hull, the East Riding or, in many cases, in the city of York. They are not keen on travelling across the bridge twice a day to work in Grimsby or Cleethorpes, which is depriving the south bank of a huge labour resource. Moreover, in the current recession, unemployment is expected to increase markedly. The report makes it clear that for a significant number of unemployed people, the toll payments, rather than the time or distance, involved in commuting across the Humber are a barrier to seeking work across the Humber, and toll reduction could increase their scope for job search and job opportunities. What more could a Minister in this Government, at this time, in this current economic crisis, want to hear than such unequivocal, categorical advice on how to boost the local economy of that area?

The caravan industry—a key local employer—has been badly hit, and thousands of jobs have been lost in East Yorkshire, not to mention North Lincolnshire, in recent months. Restricting the number of jobs that people can apply for, which the bridge toll essentially does, is not the best way to get them back into work. Business opportunities are also severely limited by the tolls. Businesses competing for contacts across the bridge find that they are sometimes unable to compete because of the cost of tolls and the exchange of ideas and networking are also severely limited.

There is a real desire on both sides of the Humber to take this issue forward. More than 10,000 people recently signed a petition organised by the *Hull Daily Mail* and *Scunthorpe Telegraph* calling for the tolls to be axed or reduced to £1 for cars. More than 81,000 people signed a similar petition on the No. 10 website. When tens of thousands of people take the time to use a facility provided through the Prime Minister's office at No. 10, Ministers need to listen. There is no point in having these channels of communication if the Government are not prepared to listen to the voice of the people concerned.

Mr. Greg Knight: My hon. Friend is on to the interesting and important point that Ministers should listen. Is he aware that on a previous occasion when we were discussing local transport, in response to an intervention from me on this issue, the Minister agreed to meet an all-party delegation on the subject after the local inquiry had taken place? Does my hon. Friend agree that it is important that the Minister reaffirms his intention to meet an all-party delegation at the appropriate time to discuss the matter in further detail?

Mr. Stuart: My right hon. Friend is absolutely right, and I am sure that the Minister will be happy to do so later.

The Humber Action Against Tolls campaign group, led by Jenny Walton, has been a tremendous influence, as have the region's MPs, together with local parliamentary candidates Andrew Percy in Brigg and Goole and Martin Vickers in Cleethorpes, and local council leaders. Earlier this month, the Humber bridge board acknowledged the strength of local feeling by announcing that it was considering asking the Government whether it could slash the cost of the tolls to £1 for a 12-month trial period. Under the proposal, the board would ask the Government to suspend or cancel interest payments for 12 months. That would allow it to charge just £1 for cars and two-thirds less for other vehicles to cover maintenance costs only. After the proposed trial year, a study of traffic levels would be carried out to discover the impact of reducing the tolls.

Mr. Ian Cawsey (Brigg and Goole) (Lab): I congratulate the hon. Gentleman on securing the debate. Does he agree that the proposal from the bridge board should be taken very seriously? We have had the Buchanan report, which he has referred to, and we have had previous reports that have not always given a consistent picture. Sometimes they are played off against each other. If we had a trial period, there would no longer be any academic argument or any need for consultants' reports. We would be able to see the figures, and I think that the case would become completely indisputable.

Mr. Stuart: The hon. Gentleman is absolutely right. He will be aware that in the 1980s, when the bridge board's staff were involved in industrial action and the toll was suspended, there was a huge increase in the number of people crossing the bridge. I ask the Minister to take that on board. We are confident that a new toll holiday would achieve the same effect. Irrespective of what happens at the public inquiry next week, I urge the Minister to consider that proposal carefully.

The Government cannot have it both ways. On the one hand, they place tremendous emphasis on city regions and their ability to further economic growth, and indeed they have said that they will do "whatever it takes"—I think that that is the right phrase, but the Minister will correct me if I am wrong—to help this country fight the recession. They should not on the other hand continue to restrict economic growth in our city region by continuing to profit from the bridge debt.

I call upon the Government to give two commitments. First, I ask them to commit to working with the Humber bridge board to agree a toll holiday on the bridge, reducing the toll to £1 as I have outlined. The debt is fairly notional, but if money has to be found from general funds to allow that, what better money to use than that which has been set aside to help fight the recession to see whether the idea works and put it to the test?

Shona McIsaac (Cleethorpes) (Lab): Is the hon. Gentleman aware that research undertaken on the south bank of the river about the possibility of reducing the toll or abolishing it altogether showed that an overwhelming number of people were in favour of paying a token toll, perhaps of £1? That is by far the quickest way to reduce the tolls, instead of going down a lengthy and protracted legislative route.

Mr. Stuart: I am not sure that I was entirely aware of that fact, and I am glad that the hon. Lady has brought it to the House's attention. Whether it is outright abolition or a massive reduction of the toll, we desperately need action.

The second thing that I ask the Government to do is establish a formal and broad inquiry into the wider issues of the bridge toll and the bridge debt, to identify ways in which the burden of the debt and the tolls that accompany it can be removed, to the benefit of the people and businesses of East Yorkshire and northern Lincolnshire. I am sure that the Minister will want to do so, and I look forward to his response.

10.36 pm

The Parliamentary Under-Secretary of State for Transport (Paul Clark): At the outset, I congratulate the hon. Member for Beverley and Holderness (Mr. Stuart) on securing this debate on an important issue. I ought also to take this opportunity to congratulate Members of all parties on their hard work, including the right hon. Member for East Yorkshire (Mr. Knight) and those who are sitting behind me—my hon. Friends the Members for Brigg and Goole (Mr. Cawsey), for Great Grimsby (Mr. Mitchell), for Kingston upon Hull, North (Ms Johnson) and for Cleethorpes (Shona McIsaac) and my right hon. Friend the Member for Scunthorpe (Mr. Morley). I congratulate them on the work that they have been doing on this matter, which is dear to their hearts, on behalf of their constituents.

I shall set out a brief history of the development of the bridge, which is an important link between parts of the city region. Perhaps it can be seen as bringing it together rather than dividing it. The Humber bridge was promoted as a local road by the local authorities of Humberside. Approval for the construction of the suspension bridge was given by the then Transport Minister, Barbara Castle, although it was not until 1973 that work finally began. Right hon. and hon. Members will know that the running of the bridge is undertaken by its board, which is made up of the local authorities that promoted the project—Hull city council, East Riding of Yorkshire council, North Lincolnshire council and Lincolnshire county council. The board is made of up 22 members from those authorities. It financed the construction through loans from the Secretary of State for Transport and the Public Works Loans Board.

As the hon. Member for Beverley and Holderness said, the bridge took longer and cost more to build than was expected. However, the amount of traffic was lower than forecast because the expected population growth on the south side of the Humber never materialised. The original cost was some £28 million, increasing to £98 million throughout the construction period, with price inflation caused especially by the ground conditions that were encountered. The Humber bridge board charges tolls to cover that debt.

By the time the bridge was open to traffic in 1981, loans were charged at a rate of 11.62 per cent. compared with the Bank of England rate of some 15 per cent.; many of us remember those awful times. Every year since opening, the bridge has made an operating profit. However, initially, that was not sufficient to cover the loan charges.

As the hon. Gentleman recognised, the Government have done more to assist with the finances of the Humber bridge. The debt was restructured in 1998, when a reduced interest rate of 7.75 per cent. was set, with interest suspended on part of the total debt. The Humber bridge debt, which then amounted to £421 million—£359 million of which was owed to the Secretary of State, and £62 million to the Public Works Loan Board—was restructured. Indeed, we wrote off the £62 million that was owed to the Public Works Loan Board, and we suspended interest payments on £240 million of the debt that was owed to the Secretary of State. We also reduced the interest rate on the active part of the debt. The suspended debt was added back, beginning in the next financial year, in annual amounts, starting at £11 million and rising by 4 per cent. per annum to reintegrate it all. Those arrangements were set out in the 1998 loan agreement and the Humber Bridge (Debts) Act 1996.

In 2007, we again revised the interest rate on the debt to reflect more closely the rates that prevailed then, and to allow the Humber bridge board to repay the debt in the agreed loan period—until 2038—without recourse to levying a precept on taxpayers. Such recourse would mean that, ultimately, the taxpayers of Humberside would have to pay the debt, as set out in legislation. The interest rate was reduced to 4.25 per cent. until 2011, when the matter will be reviewed.

The money saved through lower interest and the repackaging that we introduced in the latest development in 2007 is available to the Humber bridge board to repay capital and establish a maintenance fund. Under the remit of the agreement, the board is expected to manage the financial position until 2011, without recourse to the Department for Transport. That clearly sets out the steps that the Government have taken and the listening that we have done about the issues that must be faced. We have done that in dialogue with the Humber bridge board and through listening to hon. Members who have made representations about the financial position.

The Secretary of State's role in relation to the bridge is restricted to approving or rejecting the proposed revision of tolls by the bridge board. As hon. Members know, there is an ongoing application to revise the tolls. That includes increasing toll charges from £2.70 to £2.90 for cars, from £4.90 to £5.30 for goods vehicles under 7.5 tonnes, and from £10.90 to £11.90 for goods vehicles that exceed 7.5 tonnes.

The application is to be considered at a public inquiry. After listening and taking on board the representations made through several channels, including the No. 10 website, calling on the Government to cancel the Humber bridge debt and reduce the tolls, a public inquiry will begin on 3 March at the Willerby Manor hotel in East Yorkshire. Let me put it on record that the location of the inquiry is a matter for the board, which has made its decision, not the Government. The hon. Gentleman's website suggests that the Government refused to hold a public inquiry on the south side of the river. He knows that it is not a matter for the Government.

Mr. Stuart: The Minister might be feeling combative, but let me share with him the fact that at least the Humber bridge board was listening and has agreed to waive the crossing costs of those who come from the south bank. I congratulate the board on listening to our campaign to make that happen.

Paul Clark: Absolutely. Indeed, I noted that the bridge board had listened, which shows not only that are the Government listening, but that the bridge board is listening too. I am pleased that the hon. Gentleman and I can agree on that point. The Secretary of State must await the inspector's recommendations before deciding whether to approve the proposed increase.

Mr. Elliot Morley (Scunthorpe) (Lab): The bridge board itself has proposed a £1 toll, which would certainly cover the maintenance of the bridge. I listened carefully to what my hon. Friend said about what the Government can and cannot do in relation to the inquiry, but the board's proposal strikes me as a perfectly reasonable suggestion, because it would deal with the argument about whether reducing the tolls would increase the income. The idea sounds to me like an experiment well worth conducting, which would produce results from which the Government could draw conclusions.

Paul Clark: I hear what my right hon. Friend is saying. Let me make it clear that the issue before the public inquiry that will start next week is raising the tolls, by the amounts that I have specified. A number of hon. Members have referred to a £1 toll, but the Government have received no specifics about that proposal for us to consider. We have not been approached by the Humber bridge board on the specifics of the £1 proposal—and if we are thinking logically, we know that the public inquiry will look into the specifics of increasing the fees, as the hon. Member for Beverley and Holderness and I have set out.

Shona McIsaac: My hon. Friend has heard from all MPs from the area tonight, but it is important to get an idea of the time scale. The right hon. Member for East Yorkshire (Mr. Knight) mentioned the meeting that has been promised. Obviously we all appreciate that the Minister cannot act until the inquiry has reported and is out of the way, and that the Secretary of State has to make a decision, but when can we expect that decision, so that we can move forward?

Paul Clark: Obviously the timing of the report, written by the inspector, is a matter for the inspector, but my hon. Friend is right that we have to await that report, and the Secretary of State will then make a final decision whether to approve the proposed increases.

It has been the policy of all Governments since 1945 that estuarial crossings should be paid for by the user rather than the taxpayer, because of the substantial savings covered. I hear the demands to write off debt and do away with tolls, but there are many competing demands, in terms of transport requirements, trains, bus subsidies and fare subsidies, that have to be met. I therefore urge hon. Members to await the outcome of the public inquiry. I am also willing to reaffirm my previous offer to have a meeting with all interested parties at a convenient time.

Question put and agreed to.

10.49 pm

House adjourned.

House of Commons

Wednesday 25 February 2009

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

DUCHY OF LANCASTER

The Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster was asked—

Charities

1. **Mark Hunter** (Cheadle) (LD): What representations he has received from charities affected by the collapse of Kaupthing Singer and Friedlander. [257848]

The Parliamentary Secretary, Cabinet Office (Kevin Brennan): On behalf of the Labour Front Bench, I offer our sincere condolences to the Leader of the Opposition and his family on the tragic loss overnight of their son, Ivan. The House will have an opportunity to offer its thoughts and prayers after this Question Time.

I have received correspondence from affected charities and met representatives of the Save Our Savings group of charities on 27 January.

Mark Hunter: I think it would be appropriate, on behalf of my colleagues on the Liberal Democrat Benches, to extend our sincere condolences to the Leader of the Opposition.

The Parliamentary Secretary knows that, in addition to the thousands of individuals who stand to lose considerable sums of money in Kaupthing Singer and Friedlander, 27 charities collectively stand to lose some £50 million of investment. Does he agree that such a loss to those charities will be a considerable financial burden and have a significant impact on them? Will he therefore agree to redouble his efforts to ensure that the charities, as well as individual investors, have their funds returned in full?

Kevin Brennan: The hon. Gentleman knows that a process of administration is taking place and that a compensation scheme is available for smaller organisations that count as retail depositors. I have agreed to meet a delegation of Members of Parliament to discuss the matter further, and I will be happy to have him along if he wishes to be included in that delegation.

Mrs. Maria Miller (Basingstoke) (Con): I join colleagues in sending condolences to the Leader of the Opposition and his family at this sad time.

Only four months ago, the Government said publicly to residents in Hampshire that Naomi House children's hospice in our area would continue to receive support at a difficult time, when it had lost money through the collapse in the Icelandic banking system. Why has that promise of help now been withdrawn?

Kevin Brennan: I do not accept that the Government made a promise of financial help to Naomi House in particular, but efforts are being made. I have had discussions with the Minister of State, Department of Health, my hon. Friend the Member for Corby (Phil Hope) about Naomi House to try to broker a local solution with the strategic health authority. Discussions are continuing in relation to Naomi House.

Jenny Willott (Cardiff, Central) (LD): I know that many hon. Members are deeply saddened by today's news about the Leader of the Opposition.

The Parliamentary Secretary has already mentioned the process of administration that is taking place with Kaupthing Singer and Friedlander. Many of the depositors with savings above the £50,000 financial services compensation scheme limit have had their deposits returned to them in full. In addition, the Government are fully covering deposits through the online Edge accounts. Why are those depositors being treated so generously when the 27 charities stand to lose every penny of their £50 million of savings? Will the Parliamentary Secretary add my concerns to those of other hon. Members when he meets Treasury colleagues—hopefully—to take up the issue on behalf of those who have raised anxieties?

Kevin Brennan: It is important that we do not get into too much scaremongering and talk about charities losing every penny. A process of administration is taking place and, although it takes time, it is not the case at this stage that those charities have lost the sums of money that were invested in the bank.

I draw the hon. Lady's attention to the words of the head of lending at Charity Bank. He said:

> "Any charity that has funds stuck with Icelandic Banks, and is watching its cash flow slowly drying up, is unlikely to be an attractive proposition to a commercial bank in current market conditions. We are part of the banking sector but as a charity we also want to be part of the solution."

I therefore encourage charities to look elsewhere also for opportunities to cover any shortfalls while the administration process is under way.

Mr. Nick Hurd (Ruislip-Northwood) (Con): On behalf of the Conservative party, I thank the Parliamentary Secretary and other hon. Members who have expressed sadness at the death of Ivan Cameron. His was a tragically short span of life, but one filled with a great deal of love. I am sure that my right hon. Friend the Member for Witney (Mr. Cameron) will draw strength from the House's condolences.

Until now, the Treasury has done nothing for a significant number of charities, which have lost money in the Icelandic bank failure, so charities such as Naomi House face having to cut back their good work just

when it is most needed. Let me make the Parliamentary Secretary an offer. We support the principle of a short-term Treasury loan fund to help sound charities, which face genuine hardships as a result of lost bank deposits. Will he work with us to develop cross-party consensus on a measure that will have minimal cash-flow impact on the Treasury and deliver real help to a vital sector of society?

Kevin Brennan: I welcome the hon. Gentleman's interest in the matter, but we need to separate the budget from the issue of help in the short term. I have already made it clear that there are attempts in the case of Naomi House to look at brokering a local solution. Those discussions are ongoing and we will be carefully monitoring the situation of charities more generally.

Volunteering

2. **Derek Wyatt** (Sittingbourne and Sheppey) (Lab): What steps he is taking to encourage volunteering as a means to personal and professional development. [257849]

The Parliamentary Secretary, Cabinet Office (Kevin Brennan): The Government recognise the role that volunteering can play in personal and professional development. Earlier this month, the Government announced a programme to provide access to around 40,000 work-focused volunteering opportunities, which is in addition to the Government's £925 million Train to Gain scheme, which is available to build the skills of staff and volunteers.

Derek Wyatt: I thank my hon. Friend for that. Given that we will need between 80,000 and 100,000 volunteers for the Olympics and 70,000 for the Commonwealth games, as well as more volunteers if we get the rugby and the football, is it possible to develop, through a national vocational qualification or the diplomas, a more professional volunteering system for people at school?

Kevin Brennan: There are already a number of volunteering initiatives in schools, which have been highly successful. My hon. Friend will be aware that the Government have invested a great deal in volunteering for young people through the v programme. His suggestion about qualifications is an interesting one that we should explore further.

Mr. David Evennett (Bexleyheath and Crayford) (Con): Volunteers are the backbone of our society. Some organisations, such as the Scouts and the Guides, are experiencing great difficulties in getting people to commit to help. What more can the Government do to support efforts to establish regular volunteering as a social norm?

Kevin Brennan: The Government are doing a great deal to encourage volunteering, including through our investment in the v programme for young people and the up to £10 million that was announced in the recession action plan to support volunteering for people who might become unemployed during the recession. I feel quite strongly that volunteering is a positive thing, not least because there were not many jobs in south Wales when I left university in 1982, in the depths of a different recession. For me, volunteering was a way to gain new skills and an opportunity to get into employment.

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): My right hon. and hon. Friends will be aware not only of the high levels of deprivation in Stoke-on-Trent, but of the fantastic work that the voluntary and third sector does and the extremely committed people who are part of it. However, a lot of the professionals, as well as the helpful and keen amateurs who are part of the voluntary and third sector, have been telling me recently that they are facing difficulties not only in identifying what funding is available, but when it is available, as they often discover that it has already gone because it was not advertised very well. What reassurances can my hon. Friends on the Front Bench give me that the funds that are made available, which are fantastic, will be advertised in a much more robust way?

Kevin Brennan: We are in the process of developing a brand new portal of information about the funding that is available to voluntary organisations, the details of which we hope to announce in the near future. In my hon. Friend's area of Stoke-on-Trent, the grass-roots grants programme—the innovative £130 million Government programme to get grants to small organisations—is investing more than £700,000. I recently announced some changes to the rules to make it easier for organisations to apply, including through matching funding backdated to the beginning of the financial year.

Mr. Gregory Campbell (East Londonderry) (DUP): On behalf of my colleagues and myself, may I join those who expressed condolences earlier to the Leader of the Opposition?

Does the Minister agree that probably the most significant opportunity to promote volunteering in a generation will occur in the run-up to the Olympics? A crucial element of ensuring that volunteers come forward is that they should do so from across the nation—so that volunteers from Scotland, Wales and Northern Ireland come forward to show that the Olympics are here for all the people of the United Kingdom.

Kevin Brennan: I strongly agree with the hon. Gentleman. He will not be surprised by that, as just last week he attended, with me, the British-Irish Council in Cardiff, at which we discussed the voluntary sector and its importance to the whole of the UK, including Northern Ireland, Wales, Scotland and England. He is absolutely right: the Olympics are a one-off opportunity and we should ensure, as we are doing, that we spread that opportunity widely around the United Kingdom, including in Northern Ireland.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): I acknowledge the Department's support for organisations in my local authority area such as vflex, which is working on developing volunteering opportunities, but I would like to emphasise that in the current economic situation young people could well find it even more difficult to find suitable employment. It is therefore much more important than it might have been in the past to ensure that volunteering opportunities exist, so that those young people can maintain their social skills and business discipline. Will the Minister therefore make an assessment of the impact of the economic downturn on young people, and develop policies that will enable volunteering to help to meet those problems?

Kevin Brennan: I can do better than that. I can tell my hon. Friend that we have announced in the recession action plan in the past couple of weeks investment of up to £10 million, in collaboration with the Department for Work and Pensions, to provide access to 40,000 work-focused volunteering opportunities, in particular for young people who find themselves out of work during the recession. Of course, we will monitor closely how that is working, and the impact that it is having on young people and on volunteering.

Tony Baldry (Banbury) (Con): All of us are now seeing hundreds of people every week in our constituencies losing their jobs, in pretty well every sector of the economy. These are people who never, even in their wildest nightmares, expected to be out of work. They want to remain active, and to continue to be challenged intellectually, and one way of doing that is through volunteering. Will the Minister have a conversation with his colleagues in the Department for Work and Pensions to ensure that, if people can clearly demonstrate that they are looking for work, and accessing websites in an attempt to find work, the number of hours' volunteering that they can do each week will not be restricted by artificial constraints? It can lead to enormous frustration for people who have lost their jobs and who want to volunteer when they are told by Jobcentre Plus that they cannot do so.

Kevin Brennan: As I said earlier, I recognise strongly and personally how important volunteering can be at a time of economic downturn. We are working closely with the Department for Work and Pensions to ensure that there are no restrictive rules to stand in the way of people who want to volunteer as a way of gaining confidence and skills and of making good use of their time if they happen to fall out of work. In addition, our recession action plan is offering a brokerage service to create 40,000 additional volunteering opportunities for people who become unemployed.

Social Entrepreneurs

3. **Barry Gardiner** (Brent, North) (Lab): What steps he is taking to increase the number of social entrepreneurs. [257850]

4. **Mr. David Kidney** (Stafford) (Lab): What steps he is taking to increase the number of social entrepreneurs. [257851]

The Minister for the Cabinet Office (Mr. Liam Byrne): I associate myself strongly with the words of the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Cardiff, West (Kevin Brennan), who has spoken for all of us.

The social enterprise sector goes into 2009 with unprecedented strength, but we believe that it could be stronger still. That is why we are ensuring that social enterprises have access to the help that my noble Friend Lord Mandelson is providing for the business community, and why social enterprises will benefit from the help for the third sector that was announced by the Prime Minister a week or two ago. It is also why I have set an objective for our policy of growing the social enterprise work force by 25,000 over the next couple of years.

Barry Gardiner: I am grateful to my right hon. Friend for that response. I certainly agree that small businesses that are social enterprises are one way of using the skills of those who are being made redundant in the work force, and of getting them back in order to lead the recovery. Will he tell the House what funds the Government are putting in to meet the targets that he has identified?[1]

Mr. Byrne: I thank my hon. Friend for the work that he does to champion this agenda. The number of those in the social enterprise work force has grown by some 25 per cent. over the past 10 years, and that has not happened by accident. It has happened because we have doubled the public income going into the third sector—into social enterprises, voluntary groups and charities—up to £11 billion over the past 10 or 11 years.

If we want to grow the social enterprise work force still further over the years to come, however, we shall have to back that commitment with investment, rather than cuts. That is why we are providing £250 million-worth of investment through Futurebuilders, and why the Department of Health will provide £100 million-worth of investment funding through its social enterprise fund. It is also why the Department for Children, Schools and Families will route money through social enterprises into organisations working with young people, and why my right hon. Friend the Secretary of State for Communities and Local Government has announced her intention to set up an organisation to champion the social enterprise agenda. We believe that social enterprises can grow, but not on their own. The Government must do their bit to help.

Mr. Kidney: When I talk to people about setting up new social enterprises, I also ask them about the use of a community interest company as a suitable legal vehicle for their business. I am surprised by how few people still are aware of their existence and suitability. I know that company law is another Department's responsibility, but will my right hon. Friend commit to ensuring that advice is available on the existence of community interest companies, and on how to set them up?

Mr. Byrne: My hon. Friend is absolutely right that community interest companies are a very effective way of getting social enterprise work up and running in communities up and down the country. They are quick and easy to set up and inexpensive, because standard memorandums are available. The legislation that underpins community interest companies was brought into effect in 2005. Already there are about 2,500 of them up and down the country. Three years into the policy, it is a good time to see whether we can make it easier still to set up such companies, so my noble Friend Lord Mandelson will shortly commence a review of the regulations to consider whether the caps on equity and dividends are right. We can then guarantee that we are making it as easy as possible to get these companies set up. We will do everything that we can to promote them.

Mr. Gary Streeter (South-West Devon) (Con): We all support social entrepreneurs, and I commend the Government for the extra resources that they are putting in at this difficult time, but has the Minister noticed, as I have in my area, that there can be a lack of co-ordination and collaboration between different organisations in the third sector, sometimes leading to duplication and waste? Does he ever challenge social entrepreneurs on this issue, and if he does, does he think that they are getting any better?

1. *[Official Report, 3 March 2009, Vol. 488, c. 5MC.]*

Mr. Byrne: There can be challenges of co-ordination between public agencies, but there can also be such challenges between social enterprises and other voluntary groups. That is partly the inspiration for the £16 million of funding that we announced in our third sector action plan a week or two ago, which will make it easier for charities and voluntary sector organisations to get the advice that they need in order to come together. May I say, though, that it is important for local authorities to play their part. A survey a week or two ago provided quite a lot of feedback about the track record of different authorities and how well they are doing to support social enterprises. One of the conclusions was that local authorities in some parts of the country could do a great deal more. I am sure that that is a shared political agenda between us.

Sir Nicholas Winterton (Macclesfield) (Con): In the north-west, there is an organisation called Wheels2Work, which assists young people in particular who live in remote rural areas who do not have their own transport and where there is no public transport to access training, employment and further education. Unfortunately, the Northwest Regional Development Agency is ending its generous grant to that organisation at the end of this financial year. That means that it will have to withdraw all those scooters from the young people who are able currently to get to work, training and so on. Will the Minister look at that and give some encouragement not only to me in seeking to help them, but to the Northwest Regional Development Agency to continue its funding?

Mr. Byrne: I will of course look at that and see what more can be done to help. We are very clear that the support provided to the business community should be available and must help social enterprises, just like any other business. I am sure that the hon. Gentleman would agree that it would therefore be a backward step to shut down RDAs, which are, of course, at the sharp end of delivering much of this help. I know that he, too, will welcome the commitment made by my right hon. Friend the Secretary of State for Work and Pensions to give social enterprises the right to bid where they show that they can deliver back-to-work programmes more effectively than the Government. That is surely the right thing for us to be doing.

Mr. Andy Reed (Loughborough) (Lab/Co-op): A group of students in my constituency have set up Vanilla Galleries as a way to exhibit their work after they have left college. That is a fine example of a social enterprise. Will the Minister tell us what success he is having with Departments across Government to mainstream social enterprise and co-operatives as a way of encouraging people to move into the workplace? Many examples of such enterprise need the Government to respond positively and see them as a solution, not as a last resort.

Mr. Byrne: That sounds like yet another example of where a social enterprise in one of our constituencies is making a real difference not only to the wider delivery of public policy, but to a large number of young people. We have to ensure that right across Government there is a shared commitment to increasing the number of people who work in the social enterprise sector. Crucially, however, we have to back that commitment to increase the sector's work force by 25,000 not with cuts but with real investment—investment that is routed through to social entrepreneurs right across Government.

Mr. Francis Maude (Horsham) (Con): The whole House will agree with the Minister about the importance of social enterprise and the huge contribution that it makes to addressing social problems. It is great that so many people want to commit their energy, skills and drive to this terrific cause. But is not the problem with the growth of social enterprise a lack of access to capital? When does the Minister expect the social investment bank envisaged in the Dormant Bank and Building Society Accounts Act 2008 to be set up, and how much capital does he expect it to be set up with?

Mr. Byrne: I welcome what appears to be a shared commitment. I do not consider that weaning social enterprises off public support should be an objective of public policy, because I think that public support is an important part of the mix, but I also think that it should be accompanied by increased help from the private sector. We now have the requisite legislation in place, but the conversations with banks are more complicated this year than they were last year, because there is a wider agenda for Government to advance. Regulations are now being discussed with the banks, however, and I hope that substantive progress will be made in getting the social investment bank up and running this year.

Mr. Maude: It is good to hear that there is some progress, but the Dormant Bank and Building Society Accounts Act gained Royal Assent in November last year, and people now expect to see at least the setting up of the framework. Given the effect of the recession on the most deprived areas, is not the answer to encourage more social enterprise by establishing social enterprise zones in those areas? Why do the Government not simply adopt our proposals?

Mr. Byrne: We continue to be open to any ideas that we think would help create a flourishing social enterprise sector, but that policy ambition must be backed by investment. I do not agree with the notion that we should somehow cut the Cabinet Office budget by £100 million, because that would close down 400,000 volunteering opportunities and about 2,500 small local charities across the country which rely on our support. As I have said, we have a complicated argument and a complicated agenda to present to the banks this year, but I am determined to ensure that our conversations about the creation of a social investment bank do not get lost in that wider set of ambitions.

Rob Marris (Wolverhampton, South-West) (Lab): What steps will the Government take to try to ensure that the importance of good terms and conditions for staff, and the importance of trade unions, are recognised by social entrepreneurs?

Mr. Byrne: We think that many of the 25,000 jobs that we want to be created in the social enterprise sector will come through spinning out the work of public servants from the public sector, but if that work is to be conducted effectively in the future, it is clearly vital for the terms and conditions enjoyed by staff working in the public sector to be preserved. My noble Friend Lord Darzai undertook a great deal of pioneering work, ensuring, for example, that NHS staff who wanted to take spin-outs could carry with them important benefits such as pension rights. Protection of that kind will be vital if we are to make this transition effective and good for all.

Civil Service Employment

6. **Andrew Selous** (South-West Bedfordshire) (Con): How many new posts he expects to be created in the civil service in the next 12 months. [257853]

The Parliamentary Secretary, Cabinet Office (Mr. Tom Watson): I send my condolences to David and Samantha. Their loss will be immense, but I hope that they can find comfort in the knowledge that the thoughts and prayers of all of us are with them today.

I do not want to predict what will be in the Budget, but overall we continue to expect and to achieve efficiencies in the civil service. We will create posts in some services, such as Jobcentre Plus, to respond to the downturn, and where possible we will move existing resources to those services.

Andrew Selous: I thank the Minister for his condolences, which are warmly appreciated on this side of the House and, I am sure, across the whole House.

The National Audit Office estimates that the cost of recruiting civil servants could be cut by as much as 68 per cent. In the current tough economic conditions, private sector firms would have no choice but to follow that course. What action will the Government take to ensure that the NAO's recommendations are followed?

Mr. Watson: We are still considering the NAO report, but the hon. Gentleman is right: there has been a digital revolution in how the private and public sectors can recruit staff. I hope that we not only learn the lessons raised in the NAO report, but create some digital solutions that will help drive down costs and ensure we have attractive packages on offer to potential civil servants.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [257863] **Gordon Banks** (Ochil and South Perthshire) (Lab): If he will list his official engagements for Wednesday 25 February.

The Prime Minister (Mr. Gordon Brown): Lance Corporal Stephen Kingscott, Marine Darren Smith and Private Ryan Wrathall have all given their lives in the service of our country in Iraq and Afghanistan. I know that the whole House will join me in expressing our condolences to their families and friends. Time and again our service personnel show us their courage and commitment. They are dedicated men and women who are prepared to sacrifice their lives for our country and in the interests of a safer world. They shall not be forgotten.

I know that the whole House will want to express our sorrow at the sad death this morning of Ivan Cameron at the age of just six, and our condolences go out to David, to Samantha and to the Cameron family. I know that, in an all too brief young life, he brought joy to all those around him, and I also know that for all the days of his life he was surrounded by his family's love. Every child is precious and irreplaceable, and the death of a child is an unbearable sorrow that no parent should ever have to endure.

Politics can sometimes divide us, but there is a common human bond that unites us in sympathy and compassion at times of trial, and in support for each other at times of grief. Sarah and I have sent our condolences to David and Samantha, and I know that the whole country, and our thoughts and our prayers, are with David, Samantha and their family today.

Mr. William Hague (Richmond, Yorks) (Con): I join the Prime Minister in paying tribute to Lance Corporal Stephen Kingscott and Marine Darren Smith, who were killed in Afghanistan, and to Private Ryan Wrathall, who died in Iraq. Whenever we read out such names, it is a reminder that whenever death comes, or however it comes, it is a devastating loss to the families involved. That is why I want to thank the Prime Minister on behalf of David and his family for his very generous and, I know, heartfelt words and for the private condolences that he passed on this morning. I also want to thank the Prime Minister for suggesting that we suspend the normal exchanges of Prime Minister's questions, and the Speaker for agreeing to that exceptional action, which is deeply appreciated by David's friends and colleagues in every part of the House. As much as anyone in the House, the Prime Minister will understand the dimensions of this loss—which, as he has said, is something no parent should have to endure. I spoke to David a little while ago, and he has asked me to pass on his thanks for the sympathy already expressed by so many colleagues in this House and beyond.

Ivan's six years of life were not easy ones. His parents lived with the knowledge for a long-time that he could die young, but that has made their loss no less heartbreaking. They also wanted me to say, once again, how hugely grateful they are to the many NHS and care workers, who not only did their utmost for their son this morning, but have helped him every day from the moment he was born. We should remember today that many thousands of other families are deeply grateful for the dedication, support and love of these highly professional people. We know how much their help has meant to the Cameron family. Ivan, their son, suffered much in his short life, but he brought joy and love to those around him, and, as David himself has said in the past, for him and Samantha he will always be their beautiful boy.

Dr. Vincent Cable (Twickenham) (LD): May I add my condolences to the family and friends of the three servicemen who died serving our country in Iraq and Afghanistan. May I also say a few words on behalf of my party leader, my parliamentary colleagues and my party to extend our deepest sympathy to the Cameron family for the loss of their son, Ivan, this morning. Everybody in the House will have experienced bereavement, but there is something especially sad and shocking about the loss of a child. We all recognise that that is especially difficult to cope with. This is a personal tragedy that transcends all party barriers, and I simply express the hope that the family are given the space and privacy to grieve and cope with the tragedy that they have experienced.

Mr. Speaker: This House will share my sadness at this news. Our hearts and sympathy go out to David and Samantha, and to Nancy and Arthur. As a mark of respect for Ivan, this House will suspend until half-past 12 o'clock.

12.5 pm

Sitting suspended.

12.30 pm

On resuming—

BILL PRESENTED

DRIVING INSTRUCTION (SUSPENSION AND EXEMPTION POWERS) BILL

Presentation and First Reading (Standing Order No. 57)

Willie Rennie, supported by Ms Katy Clark, Mr. David Hamilton, Mr. Mark Lancaster, Nick Harvey, Jo Swinson, Danny Alexander, Gordon Banks, John Barrett, Mr. Adam Holloway, Mr. Alan Reid and Linda Gilroy presented a Bill to provide for the suspension in certain circumstances of registration and licences relating to the provision of driving instruction; to make provision about exemptions from prohibitions concerning registration (including provision about suspension); to make provision about compensation in connection with suspension; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 27 March, and to be printed (Bill 65).

Renewable Content Obligation

Motion for leave to introduce a Bill (Standing Order No. 23)

12.31 pm

Dr. Alan Whitehead (Southampton, Test) (Lab): As the House resumes its sitting, I add my heartfelt condolences to David and Samantha Cameron on the tragic loss of their son, Ivan.

I beg to move,

That leave be given to bring in a Bill to make provision for the establishment of minimum levels of recyclates in designated products and classes of product; to establish a scheme for the certification of designated products; and for connected purposes.

Recent press reports about waste mountains piling up, because of the collapse of markets for recovered waste as raw materials for new production, are wide of the mark. Most recovered waste continues to be sold at reasonable prices, although it is fair to say that there has been a considerable falling off in the price for cans, PET plastic, paper and cardboard. Those are the sinews of recovered material in the UK and the vital ingredient in ensuring that the waste hierarchy is maintained.

That hierarchy, long adopted as the guide to waste management practice, indicates that the best way to reduce waste is to avoid creating it in the first place; if it is created, it should be possible to recover and reuse it. If not, and if it is organic, the waste can be composted and, further down the hierarchy, used for energy recovery. Only after all other uses have been considered might residual waste be disposed of in landfill.

The press reports perhaps gain more credibility than they deserve because they reflect an underlying question often asked about recovered waste: what happens next? If all the efforts of recovery are lost because nothing does happen next, the point of those efforts will come into question. Where recyclates are concerned, the establishment and development of markets for the raw materials that come again into existence are a vital part of the process.

As a country, we have been doing well in recent years on the issue of recovering waste. Landfill is reducing significantly, waste growth is slowing and, in the past 10 years, recycling and composting have quadrupled. The recycling of packaging has doubled. Those are impressive gains on the picture 10 years ago of overwhelming reliance on landfill, with the consequent huge waste of usable resources and the huge loss of opportunity to replace virgin material coming into the production cycle with recovered, already-used raw materials. It also represented an enormous cost in carbon emissions, but we still have a long way to go. We are still landfilling far more of our waste than virtually any other country in Europe and we face ambitious targets for the further development of the recovery of waste over the next 10 years.

By 2020, we should be recovering 75 per cent. of municipal waste and rapidly reducing to a minimum residual municipal and commercial waste that goes to landfill. That means, quite simply, that we will need to find ever more widespread markets for the resources that we are recovering. An increasing range of products will have to have a substantial element of recovered materials in their content. If we do not find markets for this resource, it will inevitably tumble down the waste

hierarchy—high-grade waste such as food standard plastic will be mixed with low-grade plastic, and recyclates that could be used for manufacture will be used for energy. At worst, pre-collected and sorted waste with no market for its potential will return to landfill.

The *Daily Mail* and its like tell us regularly, and usually erroneously, that carefully collected and sorted waste is all going into a big skip and thence to landfill. It is true that a good proportion of that waste is exported for reuse and does not enter the domestic product cycle, but some of this is justified in the long term. For example, we produce far more scrap metal as a country than we could conceivably use for metal manufacturing, so it makes sense to export clean metal for manufacturing abroad. The recent dip in markets was very much a phenomenon of demand for exported waste and indicates that the international market is perhaps a less reliable way to go than has been assumed. Yet today we rely on this market to remove much of our sorted waste.

As regards glass, we export 250,000 tonnes a year out of 1.5 million tonnes recycled. We export more than half the 8.6 million tonnes of paper and card that we recycle. Two thirds of plastic packaging and almost 80 per cent. of metal is exported. We can imagine what the loss of these markets might do to the stream of recyclates coming through the system on a continuous basis. That will not happen, of course, but to keep up with the expanding stream of recyclates, we need to export more, as matters stand, and in some instances to export more where identical virgin material is coming through our docks the other way to enter the production cycle.

My ten-minute Bill, which should perhaps be more exactly and accurately entitled the recyclate content Bill, would provide a way to face up to this future and emerging problem for our waste with confidence and with secure markets, primarily here in this country, for the results of our efforts to recover and reuse our waste streams. It would enable the Government to specify levels of recyclate to be included in the production of designated products on sale in the UK. In short, where a product or a range of products was designated by the mechanisms contained in the Bill, it would be required, as a condition of sale, to have the right amount of recycled content within it.

This might be thought of by some as a sudden and irrational flight of fancy—"That would never work!" Yet it does already, in goods and services that we all buy and use. The renewable transport fuel obligation, or RTFO, requires producers of fuel in the UK to include in their products an aggregate of 2.5 per cent. renewable fuel this year, rising to 5 per cent. by 2010—that is, the addition of biodiesel or bioethanol to mineral fuel. If someone switches their lights on, the product that they will be using and buying—electricity—will have, as a requirement of sale to them, a defined element procured from renewable sources. The Bill, then, would not introduce a new concept or restrain the market but instead provide a level playing field for the makers of designated products and, as in the case of the RTFO and the renewables obligation, a buy-out price or the opportunity to purchase credits if someone does not or cannot comply. Those exceeding their targets in recyclates have an opportunity to benefit by trading additionally with those who do not.

There are enormous opportunities for the use of recyclates in products, usually at or near the cost of finding the raw materials from virgin sources. The issue is largely the will to do it and to break the "first mover" cycle of those who say that they cannot supply recycled content products because they cannot get reliable supplies of raw material and, on the other hand, those who say they cannot reliably supply recyclates for manufacture because people will not include recyclates in products. This is of course not true for substantial sections of industry: many manufacturers work hard at including renewables. I applaud the work of those engaged, for example, in the Courtauld commitment on industry recycled content. I commend the work of the National Industrial Symbiosis Programme, which successfully matches up companies that have what they regard as waste with those who can use precisely that waste as a resource in their processes—exactly the sort of circular metabolism set out by the Bill. The work of the Waste and Resources Action Programme in encouraging and developing markets for recyclates is also tremendously important and could be greatly enhanced by a recyclate obligation, increasing on a slope as the market firms and the procedure becomes a commonplace.

What might suitable designated products be? We can think of glass bottle manufacturing using sorted cullet, glass wool for insulation using mixed cullet, road-making material using ground glass and recycled aggregate, breeze block manufacture using recovered ash, street furniture and similar products using recycled low-grade plastic, and yes, items such as recycled high-grade plastic milk bottles. There is also, of course, the manufacture of cardboard and the production of paper, even newsprint—currently highly recycled but using, in some cases, material that we send to Canada and which comes back to us as newsprint. There is a long and wide-ranging list, and the task of the mechanisms set out in the Bill would be to set recyclate content levels achievable from supply of waste and introducible economically into the product cycle.

How Members should not get me wrong: the Bill does not seek to address failure, or a crisis. It seeks to secure the future for successful recycling in the UK by closing the loop, by making sure that as much as possible goes back into the loop of production, consumption, recovery and presentation for reuse, and by making that closed loop resource-thrifty in a world where we are depleting resources such as oil, from which we make plastic a million times faster than we are replenishing it, and carbon-thrifty in a world where we have to reduce radically the amount of carbon we emit to keep the world habitable. It will do so by using the mechanism of market-shaping to secure the market, and in so doing, it will secure our future recycling requirements.

Question put and agreed to.

Ordered,

That Dr. Alan Whitehead, Mr. Martin Caton, Colin Challen, Mr. David Drew, Emily Thornberry, Mr. David Chaytor, Mark Lazarowicz, Mr. Barry Sheerman, Mr. Chris Mullin, Paddy Tipping, Dr. Desmond Turner and Mr. Elliot Morley present the Bill.

Dr. Alan Whitehead accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 8 May and to be printed (Bill 64).

Saving Gateway Accounts Bill

Consideration of Bill, as amended in the Public Bill Committee

Clause 1

SAVING GATEWAY ACCOUNTS

12.41 pm

Mr. Mark Hoban (Fareham) (Con): I join other right hon. and hon. Members in sending my condolences to David and Samantha Cameron on the death of their son, Ivan.

I beg to move amendment 11, page 1, line 15, at beginning insert 'Subject to subsection (4) below,'.

Mr. Speaker: With this it will be convenient to discuss the following:

Amendment 12, page 1, line 19, at end insert—

'(4) If a person was eligible to receive a notice of entitlement by virtue of section 3(1) but had ceased to be eligible before the notice of eligibility was issued, then the person is still entitled to receive that notice.'.

Amendment 3, page 2, line 16, clause 3, after '(2)', insert

'or the person is aged between 18 and 65 and has an annual income of less than that prescribed by regulations;'.

Amendment 4, page 2, line 35, clause 3, leave out 'subsection' and insert 'subsections (1) and'.

Amendment 13, in page 3, line 3, clause 3, at end insert—

'(8) The Treasury will each year lay before Parliament a report which sets out the number of people who—

(a) are eligible to hold a Savings Gateway account by being entitled to each of the benefits and tax credits listed in subsection (2) above;

(b) are aged between 18 and 65 years old and earn less than any amount prescribed under regulations made under subsection (4) above; and

(c) have opened a Savings Gateway account in that year.'.

Mr. Hoban: This group of amendments focuses on eligibility, a topic that we discussed at some length during what were relatively short Committee proceedings. Today provides an opportunity to retrace two issues covered in this group of amendments. First is the issue that we debated on the first day of the Committee proceedings about what happens to those who move on and off benefits during the time it takes to send out notices of eligibility. The second issue relates to the fact that the Bill is designed to encourage people on low incomes to save, and the Government use benefit entitlements as their proxy for that group. We need to understand the difference between the number of people who are entitled to receive benefits that effectively passport people on to the savings gateway account and the number of people in the low-income group. I set out two different approaches in amendments 3, 4 and 13 to address that issue.

I shall deal first with amendments 11 and 12. As I said in my opening remarks, they arise from a debate that we had in Committee. The Bill sets out the requirement for someone to be issued with a notice of eligibility on the relevant date, and we debated in Committee at some length what happens when someone becomes eligible for jobseeker's allowance at the start of a period just after the last batch of notices have been sent out, then ceases to be eligible for that allowance before the next batch are sent out. Given that the notice of eligibility drives the ability to open a gateway savings account, we identified in Committee the risk that people who have moved on and off benefit between those two dates of issue may well, although eligible to open a savings gateway account in principle, miss out on that opportunity because they did not qualify on the date that the notice was sent out. That is why amendment 12, in particular, focuses on that matter. It would insert a new subsection (4) into clause 1.

That matter was left hanging in Committee. The Economic Secretary assured us that

"we do not want to stop people who fit our normal criteria receiving support under the Bill".—[*Official Report, Saving Gateway Accounts Public Bill Committee*, 3 February 2009; c. 47.]

I have tabled amendment 12 to take that matter a little further today. Since I tabled it, and perhaps even triggered by that, the Minister has kindly written to the Chairmen of the Public Bill Committee and circulated the letter to other Committee members, stating that people who ceased to be eligible by the date on which the notice of eligibility was sent out would still receive that notice. We are grateful for that clarification, but it would be helpful for that to be on the record in the House rather than in a letter. I am sure that he will want to make that clear.

12.45 pm

Amendments 3 and 4 are the first way in which we wish to ensure that people who would be eligible for the saving gateway by virtue of being on low income are picked up by the system. As I said, the Government have used eligibility for certain benefits as the criteria for eligibility for the gateway. That means that only people in receipt of those benefits can take part and qualify for a saving gateway account. There may be people on low incomes who do not qualify for benefits and who will miss out as a consequence.

In Committee, the hon. Member for South Thanet (Dr. Ladyman) tabled amendments intended to increase the number of benefits that would enable eligibility. My amendment takes a different direction. It would set out in the Bill the fact that the group that we are targeting are people on low income. It is worth remembering that some categories of people on low income are ineligible to receive some of the qualifying benefits. For example, somebody who is unmarried, childless and under the age of 25 does not qualify for tax credits. A person on low income below that age would not have a route to access saving gateway accounts, and the same applies to a married couple under that age. In considering how to implement the idea of providing an incentive for those on low income to save, I wonder whether the Government have considered the number of people who fall outside the specified categories and who, despite being on low incomes, will not be eligible because they cannot claim a benefit.

I appreciate that there is a cost attached to my suggestion, because the method that the Government have adopted builds on data that the Government hold either at Her Majesty's Revenue and Customs or the Department for

Work and Pensions, and it is relatively easy to use the existing databases to send out a notice of eligibility. It would be much harder for the Government to capture people on low incomes who do not qualify for benefits, and it would require a new apparatus of means-testing and forms to be completed when making a claim. The Government might argue that the cost of that additional apparatus is disproportionate to the benefit that it would confer on a new group of recipients, in addition to the costs that would arise through more people saving and qualifying for matching contributions.

The amendment is probing rather than one to be pressed to a vote, but it is also meant to be almost a reserve power that the Government could deploy if they believed that the proportion of people who are brought within the scope of the saving gateway through qualifying for the benefits in clause 3 is too small compared with the total population of people on low incomes whom they feel should benefit. A Government could deploy that power in future.

Part of the challenge is that we do not know what the gap is. We do not know how many people should be eligible on the basis of low income and how many are eligible through passporting benefits. Amendment 13 tries to establish the populations as well as identifying the take-up of the savings gateway account in a particular year. It is important to ascertain the effectiveness of the scheme's take-up rate. Perhaps the Economic Secretary will be so taken with the logic of amendment 13 that he would like it to be in the Bill.

James Duddridge (Rochford and Southend, East) (Con): Amendment 13 is insightful, but proposed new subsection (8)(b) refers to those aged between 18 and 65. In a week when a 13-year-old has fathered a child, will my hon. Friend encourage the Economic Secretary to consider whether people would be eligible at 16 or even younger? I do not suggest 13 as an appropriate age, but 16 might be.

Mr. Hoban: My hon. Friend makes an important point, and I wish I had consulted him before tabling the amendments—perhaps I could have benefited from his wisdom in setting a more flexible starting date for the benefits. I am not sure how 13-year-old fathers fit into the benefits system and whether, as a consequence of claiming tax credit, they would be eligible for a notice to be issued to them under the Bill. However, my hon. Friend makes an important point about understanding who will be excluded from the measure through the Government's criteria. It is important to tease that out from the Economic Secretary today. I do not believe that we addressed it specifically in Committee. Given the aim of the measure, which is to encourage people on low incomes to save, it is important to understand how many people who are on low income but not eligible for benefits will be excluded from participating in the saving gateway account.

The five amendments are straightforward. Two of them give the Economic Secretary the opportunity to put on record the assurances that he gave the Committee in writing. The other three try to probe how many people will be excluded from participating in the Bill, despite being on low income, because of the route that the Government have chosen of using qualification for existing benefits to establish their entitlement to the saving gateway account.

Dr. Stephen Ladyman (South Thanet) (Lab): The Committee stage was consensual, but that does not mean that the Bill could not be improved a little, certainly by one addition. My hon. Friend the Economic Secretary will recollect that I tabled an amendment in Committee to include recipients of carer's allowance among those who were eligible for saving gateway accounts. The Liberal Democrats tabled a similar amendment. I have not tabled such an amendment on Report, and Mr. Speaker would rule me out of order if I sought to debate the merits of including carers in the scheme.

I believe that the amendments that the hon. Member for Fareham (Mr. Hoban) has tabled, however, would bring some carers within the ambit of the Bill and make them eligible for the saving gateway account. Amendment 13, which calls on the Government to publish an annual report of account recipients or those who are eligible for the accounts, would allow us to calculate how many carers had been excluded from such accounts, even though we would rather want such people to get the accounts.

I am using that proposal as an excuse to give my hon. Friend the Economic Secretary the opportunity to tell us, hopefully, that the Government intend to table an amendment at some point in the Bill's passage, presumably in the other place, to include recipients of carer's allowance. I understand that he might wish to limit the provision to carer's allowance recipients of working age because, after all, saving gateway accounts are aimed at people on low incomes who are of working age. I would be happy to accept that, but I would be most grateful if he confirmed whether he intends to table such an amendment.

Having said that, I apologise to colleagues in all parties and to the Economic Secretary; a group of girl guides from my constituency wants to see me at 1 o'clock and I know that hon. Members will not want me to disappoint them. If I do not hear my hon. Friend's response, I assure him that I will read it assiduously afterwards, and I will be back as soon as I have spoken to my constituents and presented them with the awards that they have come here to receive.

I hope that my hon. Friend can comment on the important issue of carers' eligibility to take up the wonderful opportunity that the Government are giving those on low incomes.

Mr. Jeremy Browne (Taunton) (LD): Without the distraction of girl guides, I can give my full attention to the important considerations before us. I have some sympathy with the comments of the hon. Member for South Thanet (Dr. Ladyman) about carers and I am interested in the Economy Secretary's view, because carers seem to be a group that could be included, and many people who fall into that category but not into others that would make them eligible, would appreciate such a gesture. If the Economic Secretary could outline the cost implications of extending the scope of the Bill in the way that the hon. Member for South Thanet suggests, that would be interesting for everybody who has followed the Bill's passage.

The points about eligibility, which amendments 11 and 12 cover, have already been made, and I have nothing to add to the comments of the hon. Member for Fareham (Mr. Hoban), who tabled all the amendments in the group.

[Mr. Jeremy Browne]

I have some sympathy with amendments 3 and 4. I assume that the motivation is to try, when possible, to avoid introducing legislation that creates poverty traps, which lead to what some people call a benefit culture, whereby those who are able just to provide for themselves but are on low incomes are eligible for far fewer benefits or means of support from the state than those who do not make that effort. The former come to regard themselves, with some justification, as being penalised for just about managing to provide for themselves, while others, whom they perceive as striving less hard to be self-reliant, qualify for a greater range of benefits than them. If that is the motivation, I have some sympathy with it, because it is a justifiable grievance. However, there are some concerns, and it would be interesting to know the Economic Secretary's estimate of the number of additional people who would be covered if the amendment were accepted. Would it be a small top-up or are we considering having many tens or even hundreds of thousands of extra people? Obviously, that would have considerable cost implications.

The hon. Member for Fareham cited the example of someone under 25 without children not qualifying for the tax credits. However, I am struggling slightly to think of large numbers of people whose incomes mean that they would be caught by the amendments but are not eligible for benefits. If people can give further examples, that would be interesting.

I suppose that, as a spokesperson for an Opposition party, I should support amendment 13, because Opposition parties are always in favour of the Government being compelled to make more reports to Parliament. Were I pushed to take a view, I suppose I would say that the amendment was a good idea, but I would not be surprised if the Economic Secretary perceived it as a bit onerous. When we pass legislation, we tend to forget about it and move on, but it would be useful and interesting to know how successful the legislation has been and how many people have been enticed by the scheme, so I hope that the Economic Secretary will engage constructively with amendment 13.

1 pm

John Howell (Henley) (Con): A number of hon. Members have pointed out that there was a high degree of consensus on the Bill in Committee. One area where there was perhaps less consensus, and where there is still lingering disappointment, is the extent of continuing parliamentary involvement in and scrutiny of the Bill. I suspect that that sense is likely to arise again today over the third group of amendments, given that we spent considerable time in Committee considering whether much of the delegated legislation should be subject to affirmative or negative resolutions. The essence of that debate also applies today; indeed, it is what lies behind amendment 13, which I am happy to support.

We on the Conservative Benches recognise that the Government want the Bill to have in-built flexibilities, but it is crucial that Parliament should know whether the Bill is a success. Amendment 13 goes to the heart of that. It is right for Parliament to know whether the Bill is working. There is a need for a proper debate. There has been much discussion about eligibility, including on Second Reading and in Committee, and even already this afternoon. There was also quite a lot of discussion about the appropriate financial limit and, I recall, some probing questions from my hon. Friend the Member for Broxbourne (Mr. Walker) in the witness sessions of the Public Bill Committee. I would ask that amendment 13 be supported, because it would introduce a welcome element of report-back on a central part of the success criteria of the Bill.

The Economic Secretary to the Treasury (Ian Pearson): Let me begin by adding my condolences to those expressed by other right hon. and hon. Members to David Cameron and his wife on their tragic loss.

The amendments in this group cover three areas, relating to eligibility and the notices of eligibility. Amendments 11 and 12, which the hon. Member for Fareham (Mr. Hoban) covered, deal with the circumstances in which a person has ceased to be an eligible person but has not been issued with a notice of eligibility, and they seek to ensure that such a person will be sent a notice. We discussed that matter in Committee, as the hon. Gentleman mentioned, and I have since written to explain and clarify the position. The purpose of clause 1(3)(b) is to allow the commissioners for Her Majesty's Revenue and Customs to issue a notice of eligibility to a person who is not an eligible person on that date, but who was eligible for the scheme at an earlier date as determined by them. We have now got to the bottom of the matter. People will be sent a notice of eligibility automatically. Therefore, amendments 11 and 12 are not needed, because the issue is already covered in the Bill.

Amendments 3 and 4 relate to eligibility for the scheme. As hon. Members will know, the saving gateway is targeted at people of working age on lower incomes. The hon. Gentleman's amendments seek to ensure that people in that group who are not entitled to one of the qualifying benefits and tax credits listed in the Bill would still be eligible for a saving gateway account. We have carefully considered the best way of determining eligibility for the saving gateway, including whether it should be based on a means test or on passporting from benefits and tax credits. Again, we rehearsed some of those arguments in Committee.

We believe that passporting is the most simple and effective method available for determining saving gateway eligibility. In particular, passporting will mean that people will not be required to fill out a form or complete a means test to prove that they are eligible for the saving gateway. Instead, they can automatically be sent a notice of eligibility. We also believe that the majority of our target group—working-age people on lower incomes—will be eligible for the saving gateway through the system of passporting set out in the Bill. We expect about 8 million people to be eligible.

A number of hon. Members asked about the specific numbers who might be included if amendments 3 and 4 were accepted. The best figures that we have available are based on taking those on low income to be individuals with incomes of up to £11,000 and couples with incomes of up to £16,000, which is approximately in line with the highest incomes of those claiming one of the qualifying

benefits and tax credits. Using that as our yardstick, we estimate that around 4.5 million people of working age on lower incomes will currently not be eligible for the saving gateway through passporting.

However, more than half that number—2.7 million—are eligible for one of the qualifying benefits and tax credits; they just have not claimed them. An important issue of take-up is involved. We are actually talking about 1.8 million people who would not be eligible for those credits who, if they could claim them, could open a saving gateway account. However, this is of course a particular point in time. Many of those of working age who are on a lower income but are not eligible for one of the qualifying benefits and tax credits are likely to become eligible for a saving gateway at some point in their lives. That is an important point.

The amendments would introduce a means test alongside passporting. We have carefully considered that option, too. I accept that it would give some additional people a way of accessing the saving gateway, but it would also introduce extra complexity and costs, and we do not believe that they would be proportionate. First, there would be extra costs for HMRC, estimated at about £2.5 million a year and reducing to about £1 million a year in a steady state. Secondly, there would also be an increased compliance risk in operating a means test, as individuals would be allowed to open a saving gateway account without having previously been through Department for Work and Pensions and HMRC checks to establish their eligibility for other benefits or tax credits. Inevitably, some accounts would be opened but would subsequently have to be closed, in cases where people who would not otherwise have been eligible had mis-stated their income. That would be burdensome for providers of saving gateway accounts.

Thirdly, having two methods of determining eligibility for the saving gateway could be confusing and would certainly add complexity to the system. Some people who are eligible through passporting may think that a means test was required and be put off applying, for example. There are therefore several downsides to introducing a means test alongside passporting. It is also important to remember that although some working-age people on lower incomes may not be eligible for those qualifying benefits or tax credits at a particular point in time, people's circumstances change. For many people, therefore, it will not be a case of missing out on eligibility; rather, it might be one of having to wait until they qualify. Also, people will be able to have only one saving gateway account in their lifetimes in any case.

Members of the Public Bill Committee will remember that the experts who gave evidence were positive about the eligibility criteria and the approach that the Government have adopted. Citizens Advice, for example, compared the system of passporting with the alternative, which Teresa Perchard said was

"an expensive system of targeting, recruitment and application,"

which would

"load costs on to the accounts and will also be a barrier to take-up."

She also said:

"If the intention is to attract people to save for the first time in their lives, or in their family's history, the Government have come up with an approach that gets the balance right."—[*Official Report, Saving Gateway Accounts Public Bill Committee*, 27 January 2009; c. 7, Q15.]

I appreciate the point that the hon. Member for Fareham has made. Indeed, I have a lot of sympathy with what he has said, because we want people on low incomes to get the savings habit. However, there are a number of practical downsides to introducing a means test alongside the approach of simple passporting, which is why we have taken the decisions that we have.

The last point that was raised on eligibility related to whether people would be eligible at the age of 16 or even earlier. I want to make it clear that, in using a passporting system, we will be depending on the eligibility criteria for the underlying benefits. Some of those will have an age limit of 16; others might have other age limits. However, we are not doing anything in this legislation to change the age limits.

Finally, I will deal with amendment 13. I agree with the hon. Member for Fareham that the saving gateway should be carefully evaluated and monitored. However, I do not agree that it would be appropriate to set out in the Bill an information requirement of the type that he suggests. Similar legislation, such as that relating to individual savings accounts, contains no such reporting requirement. However, as hon. Members may be aware, HMRC publishes details annually on individual savings accounts subscriptions and valuations, as well as a more detailed distributional analysis of the scheme. A similar approach might well be appropriate for the saving gateway; that will need to be considered in due course. However, we do not believe that it is appropriate to set down in the Bill an inflexible commitment to publish certain data.

As for the data that the amendment would require, I recognise that they might allow some basic calculations to be made about the take-up of the accounts or the coverage of the scheme. At best, however, they could give only a partial evaluation of the scheme's success, against measures such as the take-up of accounts. As hon. Members will appreciate, our objectives for the scheme are far broader than could be encompassed by the metrics that the hon. Gentleman proposes. We could not assess the success of the scheme purely against those factors, because a broader range of factors than those detailed in his amendment will need to be considered. I therefore hope that he will not press it to a vote. I assure him and the House that we want to ensure that information will be made available and that the saving gateway scheme will be properly monitored and evaluated.

My hon. Friend the Member for South Thanet (Dr. Ladyman) asked about the carer's allowance. I was going to address that matter on Third Reading, but I am happy to confirm that I am certainly minded to table an amendment for consideration in the other place that would ensure that people of working age in receipt of carer's allowance should be able to qualify for opening a saving gateway account. It is my understanding that the cost involved would be about £5 million in 2012-13, and a few million in subsequent years, but based on our discussions in Committee and on further reflections and discussions with other groups, I believe that extending the qualifying benefit in that way would be a good thing to do. I hope to be able to table that amendment at a subsequent stage.

Dr. Ladyman: I am grateful to my hon. Friend for those comments, and I am glad that I was able to get back into the Chamber in time to hear them. When

[Dr. Ladyman]

Ministers show themselves to be open minded and genuinely reasonable, we ought to put on record how grateful we are to them. I should therefore like to record my thanks to my hon. Friend, and I am sure the thanks of all those carers who will get a positive benefit from the opportunity of having a saving gateway account, assuming that the Lords and then this House agree to his amendment. I thank him very much.

Ian Pearson: I welcome my hon. Friend's comments. It is right that the Government should always be open to listening to arguments, and when we find good, persuasive arguments, we ought to respond to them. That is what I have tried to do here.

I have listened to the arguments on amendments 11 and 12, which I think are unnecessary, and I hope that the hon. Member for Fareham accepts that. On his amendments 3 and 4, I have a lot of sympathy with wanting to extend the target group, but I do not want to introduce a means test alongside a simple passporting system. We have a good basis for proceeding as we are at the moment. There is a strong case for encouraging greater take-up of qualifying benefits, and that has been an objective of the Government. We will need to continue to persuade people who are entitled to claim benefits actually to do so, and then to go on to open a saving gateway account.

1.15 pm

I appreciate the probing way in which the hon. Gentleman spoke to amendment 13. It is right that we should monitor and evaluate the saving gateway account. It is also right that we should provide sufficient information to people. We will do that, but I do not think that doing so in the way that he has specified needs to be put in the Bill. That is not the normal way in which we do things. I therefore hope that he will not press his amendments to a vote.

Mr. Hoban: I thank the Minister for the way in which he responded to the amendments, and for his suggestion that an amendment will be tabled in the other place to include those in receipt of carer's allowance, which demonstrates the Government's ability to listen to proposals made in Committee.

I am pleased that the girl guides of South Thanet did not detain the hon. Member for South Thanet (Dr. Ladyman) for much longer; otherwise he might have missed hearing about that concession. I am sure that a girl guides badge is winging its way to the hon. Gentleman for being punctual and timely in his appearances, both in and outside the Chamber.

I am pleased that the Minister put it on record that clause 1(3)(b) covers the circumstances that we debated in Committee. It was not clear what circumstances the subsection applied to, so it is useful that he made it clear that it applies to a situation in which people cease to be eligible for qualifying benefits between the times at which the notices are sent out.

On amendments 3 and 4, the Minister helpfully set out the scale of the challenge that we face. He said that 8 million people will be eligible by virtue of qualifying for the benefits in question, but that there were 4.3 million people with incomes of less than £11,000 for a single person or £16,000 for a couple—

Ian Pearson: It was 4.5 million.

Mr. Hoban: I will come back to the Minister's 4.5 million, because his maths did not quite add up. I had a figure of 4.5 million as well, but he then said that 1.8 million people would not be eligible and that 2.7 million were not taking the benefits up. There are 12.5 million people who would qualify for the saving gateway account on the basis of their income or their eligibility for benefits, and half of them are effectively excluded because they do not take up their benefits. There are 4.3 million on low income who might qualify if a means-tested scheme were introduced, and 8 million are eligible by virtue of claiming the qualifying benefits. So there is a large number of people on a low income to whom the scheme will not be relevant at the moment.

The hon. Member for Taunton (Mr. Browne) mentioned the tension between those who are on benefits and those who are not. This topic crops up in our surgeries and our correspondence. People ask, "Why are they entitled to that when they are on benefit?" and "Why aren't I entitled to it?" We need to consider the equity involved, and to get the balance right.

Ian Pearson: I just want to be clear about the numbers of people involved. Our estimate is that 8 million people will qualify for a saving gateway account. We estimate that about 4.5 million working-age people on lower incomes will not qualify through passporting, 2.7 million of whom would qualify if they decided to take up the qualifying benefits. My suggestion is that if they are not at the moment taking up qualifying benefits to which they are entitled, they might not want to fill in a means test. That leaves out 1.8 million people, who represent a real issue. We would like to provide assistance to them, just as we would like the 2.7 million people to get the benefits to which they are entitled and to consider opening a saving gateway account. I hope that this intervention has provided some information so that we are all talking about the same numbers.

Mr. Hoban: Indeed, I was coming on to the issue of the 2.7 million people who are eligible to claim those benefits but do not take them up. It is important to take that into account as we look to any extension of the scheme. As the hon. Member for Taunton (Mr. Browne) said, there is a tension resulting from differences in perceived levels of entitlement. However, if 2.7 million people are eligible to take up these benefits but do not do so, I share the Minister's view that they are unlikely to go for a different form of means-testing to open a saving gateway account. Our debate on numbers has been helpful, because it has shown the scale of the problem. The additional costs that would be incurred by having to set up a means-testing scheme lead one to question whether there is sufficient merit behind the argument to extend the scheme to people on low incomes who are not currently in receipt of benefits.

I also accept the point about the flow of people through the system. We touched on that issue occasionally in Committee, and it certainly applies here. The Public Bill Committee debated the issue of people coming on and off jobseeker's allowance and we discussed a contribution-based benefit for those on low incomes. People will qualify for these benefits at different points in time, raising the question of the best time to capture them. Until people receive benefit, however, they will not be eligible for a saving gateway account.

The Bill is a partial solution to encouraging people on low incomes to save. It is probably the most cost-effective solution, but it is not necessarily the ultimate answer, as more work needs to be done to encourage people on low incomes to save, particularly those who are not eligible for this scheme. Perhaps the Financial Inclusion Taskforce could work on how to target that group.

Amendment 13 was intended to probe different means of identifying whether the scheme targets all those on low incomes. As the scheme is evaluated, I hope that the mismatch between eligibility through the passporting route and the proportion of the population on low incomes who are eligible will be a central feature because it will enable us to determine whether the scheme needs to be refined, not just in respect of the additional benefits but in relation to whether other ways can be found to roll out the saving gateway account to meet the needs of those who do not currently qualify for it.

I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 5

APPROVALS

Mr. Hoban: I beg to move amendment 5, in page 3, line 33, at end insert—

'(1A) Conditions imposed under subsection (1)(a) shall have regard to

(a) location of the provider's premises;

(b) the provider's commitment to financial education; and

(c) the provider's willingness to expand access to broader financial services.'.

Mr. Speaker: With this it will be convenient to discuss amendment 6, in clause 11, page 5, line 25 leave out paragraph (e).

Mr. Hoban: This second group of amendments deals with two particular points. Let me deal with amendment 5 first. The seven lines of clause 5 are designed to deal with the fact that account providers need to be approved. Subsection (1) refers to the conditions that might be imposed on "an approved account provider", but there is no further description in the Bill—much of it gives enabling powers—or the explanatory notes of the conditions that a provider might be required to fulfil.

We had some debate in Committee about the type of providers that we should encourage—or discourage—to take part. I am not going any further down that road, although the hon. Member for South Thanet (Dr. Ladyman) might want to enter the debate on this group to make those points again. It is important, however, that published guidelines are available to provide some clarity to providers about the conditions and their application. Pilots have already taken place, so it might be possible to draw out three conditions, which the Government might like to reflect on for approving providers.

One point that came out of the evaluation was the importance of the branch network. The take-up of saving gateway accounts in the pilot increased in relation to the closeness of people to a branch of HBOS—the organisation involved in the pilot. If we are to encourage take-up, we need to think about an account provider's branch network. So far, the only group that has expressed a clear intention to participate is the Post Office, which has a strong, if diminishing, branch network. It would fit the bill as a good provider. Access should be easy; people should be able to take their certificate somewhere close to where they live. The more barriers we put in the way of access to the provider, the harder it will be to get a decent take-up of the saving gateway account.

Mr. Charles Walker (Broxbourne) (Con): As most banks are now in receipt of public money, it would not be impossible for the Government to apply some pressure to make the effort to deliver on this scheme.

Mr. Hoban: My hon. Friend makes an interesting point. Apparently, these banks are managed on an arm's length basis, but it appears from press comments about the assets insurance scheme that strings are being attached to the receipt of such support. The Minister might like to think about my hon. Friend's suggestion and attach a further string. Participation in a saving gateway account scheme might be a reasonable concession in return for the receipt of protection of apparently £500 billion—indeed, it would be a small price for banks to pay. The Minister might like to discuss with his colleagues in the Treasury and the Department for Business, Enterprise and Regulatory Reform whether this is a feasible concession for the banks to make and whether the Government will press for it. One would like to think that, as part of their broader responsibility, financial services organisations would take very seriously a commitment to broaden access to financial services products and view it as a way of fulfilling that obligation. Paragraph (c) of my amendment stipulates as one of the conditions for approval

"the provider's willingness to expand access to broader financial services".

It is an elastic and loose term, but I hope that when the banks and other financial institutions are thinking about whether they want to be a provider, they will bear it mind as part of their obligations.

Dr. Ladyman: I am grateful to the hon. Gentleman. His answer to my question might mean that I will not need to make a further contribution to the debate on this group of amendments. One possible effect of the hon. Gentleman's amendment is that it might be used to exclude small friendly savings providers, such as credit unions, as they do not have the wider access to other banking services that the amendment seems to require. It might also prevent the Government from targeting these accounts through Post Office Counters—something that might help to keep some of the post offices in all our constituencies open. I hope that that is not the intention, but will the hon. Gentleman confirm that it is simply a probing amendment and that he does not intend to limit these accounts to the big banks? If that is his intention, I will certainly want to vote against it.

Mr. Hoban: We want there to be as many providers as possible. We want the widest possible geographical network. I do not want the amendment to be used to restrict provision to a single provider, such as the Post Office, or to exclude such bodies as credit unions, because this is part of the market that they exist to serve. If, for instance, a bank or building society decided to offer saving gateway accounts in only half its branches, I am not sure that either the hon. Gentleman or I would find that particularly acceptable. The condition can be used in different ways to maximise the inclusiveness of the product.

1.30 pm

Dr. Ladyman: If the hon. Gentleman's intention is to widen the potential provision of the accounts, that would seem to contradict the wording of the amendment, which gives the Government further powers to restrict the availability of the accounts.

Mr. Hoban: I am not sure I agree. The amendment refers to conditions, and to the need to have regard to the location of the provider's premises. It does not say that we can only allow big financial services companies with loads of branches to participate. It poses the question "Will all branches in a network participate, or only some branches?" Its purpose is to probe some of the conditions that might apply when potential providers are encouraged to come forward.

Dr. Ladyman: But the wording of paragraph (c) would empower the Government to limit provision to organisations that are willing to provide access to a wider range of financial services. Organisations such as credit unions that could not provide that wider access would be covered by that paragraph, with the result that the Government or a future regulator might prevent them from providing saving gateway accounts.

Mr. Hoban: In the course of discussion about financial inclusion, it has frequently been observed that some institutions are not very keen on encouraging access to financial services products. We want such institutions to commit themselves to widening the range of services available to people who are at present financially excluded. We do not want them to cherry-pick saving gateway accounts and not offer other products to those people. I do not intend to press the amendment to a vote, but it will depend on how the Government choose to use their powers to determine access to financial services products. I want institutions that participate to be committed to financial inclusion. I do not want them to view the saving gateway account as a product in isolation in which they are currently interested, while not being particularly interested in broadening financial inclusion.

Credit unions, as organisations, are committed to financial inclusion. That is the essence of their activities, as is clear from the extension of their offer of savings accounts to include current accounts and their offer of loans consisting of relatively small amounts. Part of their mission is financial inclusion, and I certainly do not believe that paragraph (c) seeks to exclude them. What they may not be able to offer is access. We need to ensure that providers operate in as many locations as possible, are keen to support financial inclusion, and are committed to financial education. One of the issues that emerged from both the public evidence session and the evaluation of the pilot schemes was the need to offer financial education along with saving gateway accounts. The hon. Member for South Thanet will recall, as I do, discussion of whether the accounts should be interest-bearing. Teresa Perchard of Citizens Advice pointed out that if they were not, it should be explained to people what they should expect at the end of the two-year period when their account rolled into a current or basic savings account.

Many factors will help to make the product successful. Three of them—the provision of easy access to account providers' premises, commitment on the part of providers to educating people in order to improve financial awareness, and a commitment to financial inclusion—could prove particularly powerful in that regard. We should ensure that those who are considering putting themselves forward as providers share the commitment to tackling financial exclusion. That is part of what the Bill is about, and it is no good having providers who are not interested in it. I hope that the hon. Gentleman is now reassured about the purpose of this probing amendment.

James Duddridge: The amendment refers to "location of the provider's premises". Given that more providers are using the internet, has my hon. Friend ruled out web-based providers? Does he believe that providers need a physical location? Having met a good many homeless people, I know that there is a high level of internet penetration. The internet provides a secure way for those without a stable location to manage their finances. Before meeting those homeless people, I had been under the impression that the web base was more for those with a little more money.

Mr. Hoban: That is an interesting question, and not one that we explored in Committee. Perhaps if my hon. Friend had listened a little more carefully in Committee, he would have raised the point then.

The system that we are discussing is based on a notice of eligibility. I had always assumed that a piece of paper would be posted to people, who would then present it to an account provider over a counter. However, like my hon. Friend, I have been contacted by a number of people who are homeless but have internet access. They might indeed prefer to manage their money in that way.

I do not know whether the Minister has had any discussions with potential account providers about how they might supply a web-based service. A point that emerged both from our debates in Committee and from the evidence sessions was that the greater the burden of cost imposed on potential providers, the fewer of them there would be. That is, to an extent, relevant to amendment 6. If we require providers to offer a web-based service, that may involve an additional cost making participation less attractive to them.

We must get the balance right. We want to encourage a wider range of providers because we want eligible people to have physical access to saving gateway accounts, perhaps not on every street corner but within a reasonable distance of where they live. That will mean ensuring that the cost to providers is appropriate, and it is possible that a requirement to provide a web-based service might deter them from participating because of the extra cost. Perhaps the Minister will be able to tell us whether any providers are interested in supplying such a service, which, of course, might pose challenges in the context of financial and digital exclusion.

Let me now turn to amendment 6, which proposes the deletion of clause 11(2)(e). Again, it touches on the costs issue. Regulations made under the Bill will set out how information will be filed by account providers. I am wary that we might create too much prescription on providers and therefore force up costs, and I wonder how permissive or relaxed the regulations will be in respect of the type of information providers will be required to produce for Her Majesty's Revenue and Customs.

Amendment 5 is intended to probe the issue of the guidance that will be offered to providers and what conditions might be attached to them. We are keen for providers to offer commitments on access and on financial inclusion and education. I hope the Minister will recognise that our intention here is to encourage the success of the scheme—rather than to restrict the range of providers, as the hon. Member for South Thanet seemed to think, or hope.

Dr. Ladyman: Let me begin by saying that, despite the discussions we have had in Committee and today, I agree with the hon. Gentleman: I want the accounts to be provided through as wide a range of organisations as possible. I was saddened by the attitude of those representatives of the banking industry at the evidence sessions who seemed to say, "We may not be interested in providing these accounts, because there may not be enough profit in it for us." The purpose of these accounts is to help people who would not otherwise have got the saving habit to acquire it. In any other sphere of activity in the markets of this country, that would be welcomed as increasing the customer base, yet bank representatives were sitting there saying, "We're not sure we're interested in expanding our customer base." Given the money we have given to the banks recently, and the debt most of us think they owe to our society at the moment, I would have thought that they would have been falling over themselves to say, "We want to help."

Mr. Jeremy Browne: Is the hon. Gentleman saying that banks that judge it not to be commercially in their interests to go ahead with this product ought nevertheless to feel obliged to do so because they owe a moral debt to the taxpayer?

Dr. Ladyman: I would not, perhaps, put it that strongly, but, absolutely, that is broadly what I am saying. One of the reasons for our current problems is that we have lost the saving habit. The Prime Minister has made that point in recent weeks when he has spoken about people saving prior to taking out a mortgage and about whether or not it is a good thing that people have 100 per cent.—or 100 per cent. plus—mortgages, so never developing any saving habit or any notion of thrift prior to taking on the obligations of a mortgage. My understanding from contributions from Members in all parts of the House is that what we want the saving gateway accounts to encourage those people who would otherwise not have developed a saving habit to see the merit of doing so. Given our society's current problems as a result of the banks' activities, I would have thought that it would be absolutely on point for them to say, "Okay, we now accept that we need to do more to help people get that saving habit. We accept it is our job to get people to think about thrift. It is now our job to make people think they can't always come to the bank and get 100 per cent. or 120 per cent. mortgages, and that they will actually have to put a bit of their hard-earned cash aside each week and save up for some things prior to borrowing the balance of the money." When we were taking evidence, the banks should have come to us and said, "We don't see that there are huge amounts of profit in this, but we do see that it is absolutely our duty to provide these accounts. It is absolutely our duty to be providing financial education and training and support to people who need it, and it is absolutely our job, whether or not these things make money for us, to provide them and to do so willingly and to provide a good service."

1.45 pm

To that extent, I agree entirely with the hon. Member for Fareham (Mr. Hoban), but I do not want credit unions and the Post Office to be excluded from providing such accounts. I do not think that is the intention of the hon. Gentleman's amendments—indeed, he has made it clear that they are probing amendments—but the Post Office and credit unions can play a role. Credit unions tend to be small and to provide a good, almost pastoral, service to some of their customers. They are in a position to say to people, "Let's sit down and talk about your budget. Let's talk about where you've got some extra money, and about the benefits of saving." The saving gateway account represents a big opportunity for credit unions and the Post Office, and I do not want anything to be done that would exclude them. I am happy to note that the hon. Gentleman has confirmed that that is not the intention of his amendments, and I think we have all-party support for how we want the accounts to operate.

I do not understand why the hon. Gentleman should propose in his amendment 6 to "leave out paragraph (e)"—I assume, again, that it is a probing amendment. I would have thought that making an option for electronic filing was a way of reducing costs for those who provide these accounts. If the effect of the amendment would be to prevent the Government from allowing people to file their returns electronically, we might be inadvertently increasing costs. I suspect that is not the hon. Gentleman's intention, and I agree with him that our objective must be to keep the administrative costs as low as possible so that there is a plurality of providers, who are willing to provide the broad range of services that we want those who take out a saving gateway account to have.

Mr. Jeremy Browne: I must say that I do not see the point of amendment 5, unless its purpose is to make it clear that we want competent, reputable financial institutions to provide those accounts. I am sure that we all agree that that is desirable, especially given that significant sums of public money will be involved. I share the view of both previous speakers—I think there is general consensus on this point—that we wish to see the broadest possible number of providers, and I would very much like credit unions to be among them as they offer a different type of service, and one that some of the potential customers may feel particularly comfortable with. I would therefore regret it if the amendment were to restrict the scope for, or inclination of, credit unions to provide the service, as the hon. Member for South Thanet (Dr. Ladyman) feared.

Although the hon. Gentleman has said that he wants to see a wide range of providers, I hope that by expressing our enthusiasm for credit unions we do not sound unenthusiastic about banks providing the service, because I think the one great advantage of banks doing so is that that feeds into the mainstream banking and saving system people who otherwise might not participate at all in normal banking arrangements. That lack of experience acts as a barrier to participation in financial services among wider society. There are some people in my constituency and elsewhere on very low incomes who do not have a bank account or have one but use it in a very limited fashion. Those of us, like everybody

[Mr. Jeremy Browne]

participating in this debate, who get used to a monthly salary being paid direct into our bank account should occasionally step back and reflect on how little in cash terms we actually see of the money we have been paid. Most of the money flows in and out of the banking system, and quite a small proportion is withdrawn in cash.

People who are generally better off or in longer term employment get used to how banking systems work and become confident with them. Some people who have less money or who have not been introduced to formal banking by becoming a customer at a younger age may have less confidence in the system. I do not mean confidence in the banking system as a whole, because we all have less confidence in that than we did a year ago: I mean confidence in the experience of being a depositor in a bank or having a savings account. That would be a longer lasting virtue of the Bill, because we are seeking to inculcate the savings habit in the people who take up the service. If they do not maintain that habit beyond the two years in which the Government will provide substantial financial inducements to do so, the Bill will not have succeeded to the extent that we all wish. To that extent, I hope that banks are to the fore, for altruistic reasons and because I share the view of the hon. Member for South Thanet that it will be in their commercial interests to try to widen their customer base.

Who knows whether somebody who opens a savings gateway account may end up being a prosperous customer? After all, that is the basis on which the banks push offers at students. It is not because students have very much money to deposit in the bank. Rather, the banks hope that the students will become good customers in the future. It may be that some of the people who choose to take up this option become more lucrative customers, and even those who do not become so wealthy could still be good customers in other ways, even if the total amount that they deposit with the bank is less. I hope that banks will participate. We want as wide a range of providers as possible and I hope that all those providers will be reputable. In so much as this amendment was designed to probe all those issues and stimulate a useful debate, I hope that the Minister feels that it has done so.

Mr. Walker: We are approaching a new age of financial responsibility as a result of the current downturn in the financial markets, and we will see a separation of banking services. Investment banks will become separate from retail banks, which will, in their purest form, have to get used to much smaller profit margins. So the traditional reasons for not entering the markets that are the subject of the Bill will eventually disappear.

All banks publish voluminous annual reports and at the back they include corporate social responsibility statements. There is no better way for the banks to demonstrate their corporate social responsibility than by seizing this initiative and driving it through their branch network. At the moment, banks are rightly held in very low esteem by the vast majority of people and banks need to make some headway in the community. Traditionally, banks have ignored low income groups in favour of chasing those people whom they deem to be more profitable—those who can take out significant mortgages or rack up large credit card debts.

I do not want to see any financial sector excluded from delivering these accounts. I sincerely hope that the Post Office is involved in their delivery, because for many people the post office is their local shop and at the centre of their community. I also hope that credit unions play their part in delivering these accounts, but the credit union sector is still small—although it is growing—and many communities will not have a local credit union over the next decade or so. So banks will have an important role to play in delivering these accounts.

I am sure that when the whiz kids in the banks sit down and look at the accounts they will conclude that they will not make a lot of money out of them. Indeed, banks might make a small loss in delivering the accounts. However, that should not deter them. We have heard many declarations of contrition for the banks' failures in the past year and the failures that undoubtedly lie ahead, but if they are to restore confidence, the provision of these accounts would be a good place to start. I hope that banks will seize the opportunity to volunteer to be at the forefront of this initiative, instead of being dragged to do so.

Ian Pearson: These amendments cover two distinct areas, but they have in common that they both relate to the requirements to be placed on account providers. I wish to stress that the Government want to maximise customer choice and access, and we are keen to secure as broad a range of appropriately qualified authorised account providers as possible. That includes the Post Office, credit unions, banks and building societies.

The Bill Committee heard from representatives from a variety of potential providers, and the message was that while their members support the objectives of the saving gateway, they want to consider carefully any costs associated with the provision of saving gateway accounts before committing to offer them. It is similarly important to remember that most of the requirements that we impose will apply equally to all approved providers, from the large high-street bank to the smallest mutual society. We must therefore ensure that the requirements that we impose on saving gateway account providers are appropriate and proportionate, as they will affect the number of providers that opt to offer the accounts.

I immediately took a more charitable interpretation of amendment 5 than did my hon. Friend the Member for South Thanet (Dr. Ladyman). I thought that the hon. Member for Fareham (Mr. Hoban) was trying to be helpful and to probe our intentions. As drafted, the Bill already provides the coverage for conditions and requirements to be imposed on account providers in the areas mentioned in amendment 5. I agree with all the opinions that have been expressed about the importance of appropriate access to account providers, to financial services and to financial education. However, there is nothing in those points that makes them particular to people who decide to open a saving gateway account. As hon. Members will be aware, the Government support a wide range of measures and initiatives to improve financial capability and widen access to financial services. That covers some of the points made in the amendment.

As hon. Members will see from the draft regulations, we have restricted the conditions that we propose to impose on providers to those that ensure that they have the appropriate regulatory permission and can offer

and operate accounts as set down in the Bill and regulations. That strikes the right balance. It is important to guarantee the saver regulatory protection and consistency of account features, while ensuring that the conditions on providers are not excessively burdensome.

An important point was made about local branch access. We want easy access for people to open accounts. The draft regulations provide that account holders must be able to make account deposits in several ways, including in cash. That is likely to mean that providers must offer a counter service, or similar. However, nothing would prevent the offering of saving gateway accounts that could be opened electronically. We have had discussions with potential account providers who want to deliver the saving gateway accounts in several different ways. We believe that providers should be required to accept cash deposits, which might make things difficult for a web-based provider. However, it may be possible for a provider to have a web-only account for some customers, if those customers prefer that.

2 pm

Let me turn to amendment 6. I should explain to hon. Members that we consider the requirement that an account provider's returns and declarations should be submitted electronically to be a reasonable and proportionate requirement on providers. It is not only consistent with broader developments in Government practice, but central in many cases to the smooth operation of the scheme and the prompt payment of match amounts earned by savers.

We set out in the consultation document that we published at the Budget 2008 that we intended to make online filing of returns the only means of sending returns to HMRC. We asked in that consultation document whether that would cause any problems for any particular groups of providers. The response to the suggestion of mandatory online filing was very positive—most providers recognise the benefits of that. Indeed, those benefits are considerable both to providers and to HMRC. Online filing is quicker than submitting and processing papers returns, more cost-effective and more accurate, as well as being more environmentally friendly than a paper-based system. The hon. Member for Fareham did not make a great deal of that amendment, so I do not need to explain in much further detail why we think that there is not a problem in the industry with electronic filing. The consultation confirmed that.

I think that I have addressed amendments 5 and 6. I recognise that they are probing amendments and I hope that the comments that I have made were helpful.

Mr. Hoban: It has been useful to debate the nature of the providers and the terms and conditions that we would expect as well as the things that we would expect providers to do. I want to press forward on the issue of cash, because Mark Lyonette of the Association of British Credit Unions Ltd mentioned the cost of processing cash payments, which was potentially significant for credit unions.

Although I recognise the importance of having facilities available for people to pay cash, when it comes to reducing the cost to the providers of providing the accounts, the deductions that can be made electronically through direct debits, standing orders and pay packets clearly reduce the cost of collection to providers and are a further way of encouraging a larger number of people to participate. Having said that, I know that the Portsmouth Savers credit union not only operates a counter facility through its branch but works through PayPoint, too, spreading the network of payment points widely through the catchment area that it supports. Clearly, there are ways in which credit unions can expand their accessibility in a way that is not available to some other institutions.

Dr. Ladyman: The hon. Gentleman might like to know that Wantsum Savers offered a counter service using my office for two days a week until fairly recently. Perhaps other MPs could offer their local credit union the opportunity to provide a counter service.

Mr. Hoban: That is an interesting suggestion. One issue that credit unions face is the availability of access points and how to provide different methods of access. I am not sure that my caseworker would welcome responding to constituents' correspondence as well as acting as a bank cashier, but that is a matter that I will explore with her. Accessibility is important, as the pilots demonstrated. Part of the rationale for tabling amendment 5 was to tease out some of those important issues that will underpin the success of the savings gateway account.

On amendment 6, the Minister confirmed that there is widespread support for the use of electronic filing by account providers. He said that most respondents welcomed mandatory electronic filing, and I would assume that the sort of systems that bodies such as credit unions are putting in place would be capable of making electronic filings of their returns and if they are, that is welcome. My amendment was a plea for a degree of discretion where systems are not up to electronic filing and where the cost of updating systems might be a barrier to credit unions and other institutions that are prepared to offer saving gateway accounts. Based on the debate, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 6

ACCOUNT OPENING

Mr. Hoban: I beg to move amendment 2, in page 4, line 19, at end insert—

'(6) After the first exercise of the powers in subsection (5), the Treasury will be required to consult interested parties on any changes to those regulations and lay a copy of the report on this consultation before Parliament before any further regulations are made.'.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to discuss the following: Amendment 9, in clause 27, page 13, line 4, after '(4)', insert ', 4'.

Amendment 10, in clause 27, page 13, line 4, after '(4)', insert ', 6'.

Amendment 7, in page 13, line 7, leave out 'The first'.

Amendment 8, in page 13, line 10, leave out subsection (6).

Mr. Hoban: This group of amendments tries to address one of the issues that the hon. Member for Taunton (Mr. Browne) mentioned on Second Reading, which is the fact that the Bill is an enabling Bill and contains a

[Mr. Hoban]

large number of regulation-making powers. I think that he said that there were 29, and virtually every clause contains at least one regulation-making power. The Government have already published some draft regulations, and the amendments try selectively to enhance the parliamentary scrutiny of the regulations. I accept that there are circumstances in which the negative resolution is the appropriate route, when matters are relatively uncontentious, but I have suggested a number of areas where I felt that the affirmative procedure might be more appropriate given the implications for the taxpayer of changes to some of the criteria in the Bill.

First, let me deal with amendment 2. Clause 6 is about eligibility and it talks about people being able to open a saving gateway account having received the notice of eligibility. When we discussed the clause in Committee, there was some discussion of the regulations under subsection (5), which are very permissive and enable people to have more than one saving gateway account at any one time or more than one over their lifetime. They also restrict the number of saving gateway accounts that someone might have. We know that the intention of the Minister and the Government is that people should have only one saving gateway account and that was the consensus that was underlined in Committee and in the evidence-taking sessions that we had before the Committee scrutinised the Bill line by line. Sharon Collard and Brian Pomeroy, among others, made it clear that if people have not got into the savings culture through one account, it is unlikely that being offered further opportunities will enable them to develop the habit of saving.

Amendment 2 proposes that once the Government have made their first regulation to limit accounts to one per person, there should be a proper consultation if they seek to make any subsequent changes. The consultation should consider whether there should be more accounts and a copy of it should be laid before the House before any further regulations are made, to ensure that the House is aware of the outcome of the consultation before it is made.

Amendments 7 and 8 refer back to clause 14, which gives the Government the power to make regulations for the treatment of the accounts in the context of income tax and capital gains tax. Again, the Government's intention is that the accounts should be free from income tax and capital gains tax. However, the Bill states that although the first regulations made under the clause will be subject to the affirmative resolution procedure, any subsequent changes will be made under the negative resolution procedure. Given that subsequent changes could make accounts subject to income tax or CGT, it is appropriate to build in a safeguard requiring proper parliamentary scrutiny, so that any subsequent orders would be made by the affirmative rather than the negative process.

Amendments 9 and 10 deal with other parts of the Bill that allow changes to be made by the negative procedure. Clause 4 is important, as it determines the maturity period that applies to saving gateway accounts and the maximum amount that can be paid into an account. The draft regulations published by the Government set the maturity period at two years and the maximum monthly payment at £25. Any amendment to those terms would be made by the negative procedure, but lengthening the maturity period could lead to increased costs to the Exchequer as people build up higher balances that would be subject to the 50p in the pound matching process.

Similarly, increasing the monthly payment from £25 to, say, £30 or £40 would also lead to increased costs to the Exchequer. We believe that both processes should be subject to the affirmative rather than the negative procedure. That is a reasonable extension of the affirmative procedure, and it would provide some safeguard for taxpayers.

Amendment 10 makes a similar point in connection with clause 6. In amendment 2, we ask that a report be laid before Parliament when the Government propose a change to the number of accounts that can be held. In amendment 10, we argue that any subsequent use of the power after the first use should be subject to the affirmative rather than the negative procedure because, again, the cost to the Exchequer will be greater if the rules are modified to allow people to hold more accounts.

Mr. Jeremy Browne: As the hon. Member for Fareham (Mr. Hoban) rightly said, on Second Reading I spoke about what I consider to be the Bill's excessive flexibility. I said that the Government would be able, through regulations and without sufficient reference to Parliament, to change quite fundamentally how the Bill works in practice, and I maintain that that is still the case.

I can understand that all Governments like to have some flexibility. Legislation probably benefits from a degree of flexibility, especially if there are financial considerations that mean that the Government may need to manoeuvre to some extent to respond to events. However, we are sent here to represent our constituents and to make sure that Bills are scrutinised properly, and there are a very large number of moving parts in this Bill. The word "mockery" is too strong, but it undermines the scrutiny process if Bills brought before us for our approval have so much scope for interpretation by Ministers at a later date.

I continue to hold that view about this Bill. I regard it as broadly benign, but a wider principle is at stake. However, I shall not detain the House unnecessarily, as I agree with all the accurate and wise comments made by the hon. Member for Fareham. Rather than making them all again, I shall confine myself to saying that I hope that the Minister will respond accordingly.

Ian Pearson: I hope that I can convince the House that the Government's approach to what is put on the face of the Bill and what is contained in secondary legislation—as well as to what is subject to the affirmative and negative procedures—is fair, reasonable, proportionate and appropriate.

2.15 pm

This group of amendments covers two points. Amendments 7 to 10 ask whether the exercise of some of the regulation-making powers should be subject to the affirmative rather than the negative procedure, whereas amendment 2 would introduce a requirement for the Government to consult interested parties and report to Parliament before using one specific power in the Bill.

I shall begin by responding to the hon. Member for Fareham (Mr. Hoban)—and, by default, I suppose, to the hon. Member for Taunton (Mr. Browne)—on amendments 7 to 10. As I have said a number of times,

we believe that the current use of delegated powers is appropriate. The important features of the savings gateway, including the list of qualifying benefits and credits and the method of calculating maturity payments, are all set out on the face of the Bill. However, many of the details of the operation of the saving gateway are relatively technical and our view is that they are best tackled through secondary legislation, because that provides the flexibility that will allow the scheme to be amended in the future to ensure that it continues to meet its objectives.

We know that those objectives have the broad support of the House, and we want them to be amendable without the need for further primary legislation because we also know that that can suffer from the pressure of parliamentary time. We think that we have struck the appropriate balance, and I shall explain our approach to the House.

The first use of all but one of the delegated powers in the Bill will be subject to the affirmative procedure. We think that that is the right thing to do to allow appropriate parliamentary scrutiny of the details of the scheme that is being introduced. However, subsequent use of most of the powers in the Bill will be subject to the negative procedure, as that will provide the necessary flexibility to make minor or technical changes to the scheme.

Of course, we can debate which changes are minor or technical: hon. Members might have different views, and it is right that the Government be probed about such matters. However, I want to explain that there are four exceptions, under which each use of the regulations will be subject to the affirmative procedure. They include all three delegated powers relating to eligibility, which is clearly a central feature of the savings gateway. It is therefore right that any changes should be subject to full parliamentary scrutiny.

The same is true of the match rate—the amount of maturity payment earned for each pound saved. The power to set that amount in regulations under clause 8(1) is therefore the fourth delegated power that will be subject to the affirmative procedure on each use. All the key parts of the savings gateway architecture are therefore either on the face of the Bill or subject to the affirmative resolution procedure. Moreover, all changes to eligibility and the match rate will be subject to the affirmative procedure.

Mr. Hoban: Can the Minister explain why he has decided that variations to the match rate should be subject to the affirmative procedure, when the amount that can be saved in the account is not?

Ian Pearson: Yes, indeed I can. Moving from a match rate of, say, 50 per cent. to 100 per cent. would be a major decision, with serious cost implications. We think that our figure for the amount that can be paid in monthly is appropriate, and we anticipate that future adjustments will be needed only to keep pace with inflation, or something similar. We are therefore talking about two different matters: we think that a change in the match rate would be a fundamental redesign of the scheme, whereas updating for inflation would not be. As a result, it is more appropriate that such updating should be covered by the negative procedure.

Mr. Hoban: But the Bill gives the Minister the power to double the monthly contribution by means of the negative procedure. We do not know how much people will save, but that could have the same financial impact as doubling the match rate and leaving unchanged the amount that can be saved.

Ian Pearson: That is true; that is how the legislation is worded. If a future Government decided to double the match rate without consultation and without agreement, I am sure that people would pray against the regulations. Our clear policy intention is to update the monthly deposit limit, but we do not at the moment foresee making a fundamental change, such as a change to the match rate. That should be debated, and be subject to the affirmative procedure.

Dr. Ladyman: For the life of me, I have never understood why the Opposition always make that point. If the Government cannot afford something, they will not lay the regulations before the House, and if the Opposition do not like a measure, they can pray against it; it will then be debated in the same way as regulations introduced under the affirmative procedure. Will my hon. Friend confirm that Cabinet Office guidelines require a public consultation before regulations are laid before the House? That means that interested parties would have their say even before the regulations were laid before the House.

Ian Pearson: My hon. Friend makes a very good point. It is perfectly possible for people to pray against regulations introduced under the negative procedure; indeed, that happens quite frequently. I am simply making the point that a change to the match rate would be a fundamental change to the design of the scheme. As to updating the monthly deposit limit in the light of changes to inflation, inflation is low now, and under this Government, it will continue to be low and sustainable, but we need the ability to update that. A minor, technical amendment that updates the scheme in the light of inflation is more appropriately handled through the negative procedure. The hon. Member for Fareham and I will have to differ on the issue, but I hope that on reflection, he will not see it as a major issue that he wants to press to a Division.

The hon. Gentleman also raised the issue of tax relief. I understand his concern about the possibility of a future Government taking away the tax-relieved status of the saving gateway using the negative procedure. We have been very clear that the saving gateway will be free of income tax and capital gains tax, as is provided for in the draft regulations. I am happy to confirm that we have no intention of reversing our position. Of course, if a future Government were to choose to do so, it would be open to Members to pray against the relevant regulations, but it is not sensible to require all regulations relating to tax relief for the saving gateway to be subject to the affirmative procedure. Some of the regulations may be simple, technical provisions to reflect changes in the tax system more widely. We need to differentiate the policy intention from any fundamental change in policy; that is why the legislation is framed as it is.

The hon. Gentleman mentioned the length of the saving gateway account maturity period. I can see where he is coming from. He is saying that if we increase that

[Ian Pearson]

length and increase the monthly limits by the negative procedure, it could have as significant a cost impact as a change to the match rate. We agree, but the policy intention is to keep the match rate as it is. On the length, the intention is to evaluate the scheme properly once it has run for a period. If it is right to make changes in future, we will want to do so. Allowing the flexibility to make changes of that kind, so that we can ensure that the scheme continues to meet its objectives, is sensible contingency planning on the part of any Government. It is right that the measures should be subject to the negative procedure.

That brings me to amendment 2, which relates to the number of saving gateway accounts that a person can have in their lifetime. As I said on Second Reading and in Committee, our intention is that people should be able to have only one saving gateway account in their lifetime. That is reflected in the draft regulations. The saving gateway aims to kick-start the saving habit, as we know. It is therefore right that it should be a one-off account. Brian Pomeroy, the chair of the Financial Inclusion Taskforce, said during the Committee's evidence sessions:

"it is right that they get only one shot, because the basis of the scheme is that it should be a kick-start." —[*Official Report, Saving Gateway Accounts Public Bill Committee*, 27 January 2009; c. 18, Q30.]

I think that the hon. Member for Fareham agrees with us on that point. However, we believe that it is right, and sensible contingency planning, to maintain some flexibility on the issue and to give this and future Governments the freedom to allow people more than one account per lifetime, if that is thought reasonable at a later date.

Amendment 2 would restrict that flexibility by requiring the Government to consult interested parties and to lay a report of that consultation before Parliament. That would be an unusual requirement for legislation to impose, and it is not necessary. If we wanted to consider a change to the number of accounts that a person could hold in their lifetime, I am sure that we would want to consult on the idea. As my hon. Friend the Member for South Thanet (Dr. Ladyman) says, under the normal procedure and the guidelines followed in such cases, we would consult. We would want to make sure that any change was effectively targeted, which would mean consulting and talking to various bodies. We have shown in recent years that we are keen to take the views of interested parties into account, when it comes to the design of the saving gateway. Indeed, it has been pointed out that we have hardly rushed into introducing saving gateway accounts. There has been extensive consultation and dialogue, and we are continuing to discuss with various providers how the accounts will be implemented, as the House will be aware.

I do not believe that the Government's flexibility should be restricted in the way proposed in amendment 2. Nor do I think that the changes proposed in amendments 7 to 10 strike the right balance when it comes to what should be covered by the affirmative procedure, and what by the negative procedure, so I hope that the hon. Member for Fareham will seek leave to withdraw his amendment.

2.30 pm

Mr. Hoban: The hon. Member for South Thanet (Dr. Ladyman) asked why Opposition Members argue for the affirmative procedure; it is because we want increased parliamentary scrutiny. We know that it is more convenient for the Government to get their business through with as little grit in the process as possible. That is why Governments tend to prefer the negative procedure.

Mr. Jeremy Browne: Perhaps the hon. Member for South Thanet (Dr. Ladyman) should have asked the Minister why the Government are so unkeen for the affirmative procedure to be used; he might then have got the answer to his question.

Mr. Hoban: Given the ministerial experience of the hon. Member for South Thanet, I suspect that he knows exactly why Governments prefer the negative procedure. Of course, we will treasure his remarks, just in case roles are reversed in the next couple of years and he then argues in favour of applying the affirmative procedure.

Dr. Ladyman: I have noticed that the frequency with which the Opposition ask for the positive procedure to be used seems to be in inverse proportion to their lead in the opinion polls.

Mr. Hoban: Well, I do not think that the two are in any way correlated. There is a debate to be had about what the level of parliamentary scrutiny should be. The Minister's explanation of why he rejects the amendments indicates that there is a fine line to be drawn, because there are areas where technical changes could be subject to the negative procedure. Part of the issue is that there are some instances where the Government could make a minor, technical change, such as a change to some detail in the tax treatment of saving gateway accounts, or a fundamental change.

What we lack in the Bill and in the procedure of the House is a way of distinguishing between a significant change and a technical change. As the Minister said, there could be a change to the monthly contribution limit just to index-link it. We would all agree that that would be a relatively minor change, which could go through on the negative procedure. However, the Government could make a significant change to double or halve the monthly contribution, which would be far from a technical change. It would be a substantive change, and the Opposition would have to go through the negative procedure by praying against the regulation.

The Minister commented that he viewed my amendments more charitably than did the hon. Member for South Thanet. Perhaps I view the powers that the Government have under the Bill less charitably than I should; perhaps I see the opportunity to make significant changes and emphasise that opportunity rather than the possibility of making minor technical changes. On balance, I would prefer more parliamentary scrutiny with the capacity to make a significant change that could have an impact on the account, and I would prefer to err on the side of caution, rather than make it easier for Governments to get business through. However, I appreciate the points that the Minister made, and I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 16

TRANSFER OF FUNDS ON ACCOUNT CEASING TO BE SAVING GATEWAY ACCOUNT

Mr. Hoban: I beg to move amendment 1, in page 7, line 9, at end insert—

'(1A) Subject to subsection (1B), funds in the account will be transferred into an account which pays interest at a rate which is equal to or greater than the rate paid on funds held in an Individual Savings Account as set out in the Finance Act 1998 (c. 36) operated by the Savings Gateway Account provider in question.

(1B) Where an account provider does not operate an Individual Savings Account, the amounts will be transferred into an account that it provides which—

(a) has no penalty for the withdrawal of funds without notice; and

(b) offers a rate equal to or higher than the highest interest rate offered on other accounts operated by the provider.'.

The final amendment covers an important point that we discussed in Committee. Clause 16 deals with the transfer of funds when an account ceases to be a saving gateway account. It is a significant element of the Bill because it creates a clear expectation of what should happen when an account comes to an end, and should be seen in the context of ensuring that people are given as much incentive as possible to continue the savings habit which they will hopefully have developed over the two-year period.

In the pilot programme, the default option was a savings account with a very low interest rate. That is a better option than defaulting into a current account, not only in terms of the interest that someone might earn, but because a savings account might discourage them from withdrawing the money, whereas if it is lumped together with their existing current account balance, there might be a greater incentive to spend it.

The amendment seeks to reflect some of the concerns expressed about the default option. The intention behind the Bill is to ensure that when the account comes to the end of its two-year period, there is a roll-over into an individual savings account. I sought in Committee to make that mandatory. A number of objections were raised, which I try to reflect in the amendment.

In the evidence-taking session there was some debate about whether an ISA was the appropriate default option. Teresa Perchard from "Which?" expressed a preference for a plain vanilla savings account because of some of the complexities attached to ISAs. Matthew Wakefield from the Institute for Fiscal Studies was more open to the idea that the account should default into an ISA. One of the other arguments made in the evidence session—by Adrian Coles of the Building Societies Association, I think—was that some providers might wish to default a customer into an account with a much higher rate of interest than an ISA. That would be a positive move, but in most cases the ISA rate is higher than the rates generally offered on instant access savings accounts.

Others made the point that some potential account providers did not offer an ISA. One can imagine a credit union, for example, not offering an ISA, and I would not want credit unions to be excluded from the provisions of the Bill, so my alternative suggestion is that where a provider does not operate an ISA, the amount should be transferred into an account where there is no penalty for instant withdrawal without notice, and which offers a rate equal to or higher than the best rate offered on another savings account.

If somebody is roued into an account that offers the best possible rate for that saver, it is meant to be an attractive option and to ensure that rather than the money being lost to a current account at the end of the two-year period, it rolls into a savings account and that we get the best possible deal for the saver by mandating that it should be an ISA or, where that is not offered, an account with a rate equivalent to the best rate that the provider offers.

What happens when the account matures is, as Alan Cook from the Post Office said, a critical issue. It will help to influence the way in which people manage their money in the future. The more we can do to ensure that the default option is an account such as an ISA which offers a good rate of return and a sense that the money is set aside, the more likely it is that we will encourage people to continue to save in the future.

Dr. Ladyman: I agree with the hon. Member for Fareham (Mr. Hoban) to this extent: all the accounts must have a default option. People should be told what that is when they go into an account. They should be told that at the end of the two-year period, they will have choices. It should be made explicit that there is not one option, but a range of choices that they can make. They should be told that if they do not exercise that option, the provider has a default option, which should be explained.

I agree with the hon. Gentleman that there are many people for whom the best default option will be an ISA, from which they will get the best rate of return. Equally, many of the people at whom the scheme is aimed will not be payers of income tax. We won today a kind concession from the Minister that carers, for example, will be entitled to saving gateway accounts. Those people may envisage a very long period of being a carer; if so, they will therefore not be income tax payers in the near future. For them, a different type of account may be preferable to an ISA. For example, a national savings and investments account, where payments are made without income tax being removed from the account, might be the best and most convenient option for them.

I hope that people will decide for themselves when they go into saving gateway accounts whether they are likely to benefit from an account that defaults to an ISA or an account that defaults in some other direction. It is even possible, as we discussed in Committee, that the Post Office will act in partnership with other organisations to provide saving gateway accounts. The Post Office might be able to offer a plurality of choices into national savings and investments accounts or into ISAs as a result of such partnerships.

To the extent that the hon. Gentleman intends to ensure clarity about offering choices at the end of the saving gateway accounts, and to the extent that there will have to be a default option, I agree with him. Where we part company is on his belief that for everybody an ISA will be the best option. For many of the people on very low incomes whom we are discussing, that will not be the case. I want to see a range of providers who cater for that market, as well as for those people who would benefit from an ISA.

Mr. Jeremy Browne: There are three broad areas of consideration in respect of this issue, and we touched on them during our early deliberations; I think that we broadly agree on all three. The first is that people who take out the accounts should be able to access their money in full whenever they wish to. We agree on that, but the principle is important. Although we do not want them to access the money as that would rather undermine the purpose of the scheme, many of them would be unlikely to participate in it unless they felt able to access their money if they chose. We have to be extremely cautious about sending out the message that barriers—even if only procedural, rather than absolute—are being put in their way.

The second point is that the accounts should resemble a normal savings account as much as possible. In Committee, we discussed whether the accounts should attract any interest, as well as statements and all the features with which people with normal bank savings accounts will be familiar. If we wish people to take up the savings habit and the transition into conventional savings accounts once the two-year period has elapsed, we should want the characteristics of the gateway account to represent a normal account; that is desirable in so far as it can be achieved.

The third area relates to the purpose of the entire Bill. Even if the people who take up the option of having one of the accounts decide on occasions to use the money that they have saved on short-term expenditure, the scheme will still succeed if it makes them more likely to be longer-term savers. For me, that is the purpose of the legislation. A significant group of people in society—perhaps, 10, 15 or 20 per cent. of people—have an insufficient stake in their country and society as a whole; I am thinking of their participation in the democratic process and civic society, but the issue is most keenly felt in their lack of stake in the financial future of the country. Even quite modest savings will give such people a feeling that they have something to gain—and even something to lose—according to the fortunes of the country in which they live. It is important that those people do not feel isolated from the mainstream. Any amendments or progress that we can make that encourage people to regard the account as the start of a longer-term trend for their finances, and inclines them to save beyond the two-year period, is to be welcomed—with the caveat that they should not be compelled.

I am sympathetic to the motivation behind amendment 1, but I fear that it is too inflexible. The motivation is good, because it accords with the principles that I have sought to outline. Perhaps, however, there is a means of reaching that point that is superior to going down this rather narrow path. If the Minister knows of such means, I would welcome it. However, I urge him to take seriously the inspiration behind amendment 1, because that will govern whether the legislation is deemed a success in five or 10 years' time.

John Howell: The debate about amendment 1 has been helpful because it gets to the heart of what the Bill is about. The ultimate success of the Bill would be achieved if people changed their behaviour and were encouraged to save, so it would be unfortunate if we left the post-savings gateway account period in any degree of uncertainty. That would affect two of the Bill's long-term-success criteria, outlined in Committee by my hon. Friend the Member for Fareham (Mr. Hoban). One was about persistency—about whether the Bill will make the culture change happen. The second was about the increase in net wealth that ought to come with it. Brian Pomeroy added the criterion of wider entry into financial inclusion.

One of the most telling remarks in the evidence sittings came from Teresa Perchard of Citizens Advice, who talked about how we all feel an inertia about banking—even those of us who are experienced at banking. She said:

"Everybody hates their bank but will not shift accounts."—[*Official Report, Saving Gateway Accounts Public Bill Committee*, 27 January 2009; c. 16, Q33.]

That inbuilt inertia is also a good reason for the sentiment behind the Bill and for making the post-account period clearer in relation to what we expect to happen as a result of it.

2.45 pm

Ian Pearson: I sympathise with the sentiment behind the amendment. We all want to ensure that savers benefit from good returns on their savings when funds are transferred out of saving gateway accounts that have matured; we disagree on whether that should be mandated. In many ways, the amendment is a good example of the considerations that the Government need to take into account when designing policy. The hon. Member for Fareham (Mr. Hoban) will no doubt be familiar with the work of Thaler and Sunstein, whose book "Nudge" discusses the setting of sensible default options. I am particularly interested in the application of behavioural economics to policy making. I recommend the works of Daniel Karmann, as much as I would that of Thaler and Sunstein.

We can have a legitimate debate about how we address the issues. We are all clear on the policy objective, which is to kick-start a savings habit. We want to make sure that the saving continues in the longer term, when the account matures. We want to see saving gateway accounts transferring on maturity to an appropriate account, through which the individual continues to save. The issue is whether we should mandate a default roll-over account into which funds should be transferred when the account holder does not give any instructions about what should happen to their account balance at maturity, or whether there should be more choice and no mandatory requirement. As part of that, we considered carefully whether default roll-over accounts should be ISAs, for example. We have decided against that for a number of reasons, some of which I explained in Committee.

However, I point out again that we have said that we will permit transfers from matured saving gateway accounts into ISAs to be treated as previous-year subscriptions. That is an important point—in other words, those accounts will not count towards the annual ISA subscription limit. That means that savers can continue to save tax free and gain the benefits of ISAs. As the House will be aware, about one in three people in the country—more than 18 million UK adults—already have an ISA account.

The amendment would take a prescriptive route in trying to achieve the outcome by mandating a default account; we have decided to take a permissive approach because we think that account holders may want some flexibility. As my hon. Friend the Member for South

Thanet (Dr. Ladyman) rightly said, account holders may well find themselves in different financial circumstances and have different requirements, so it would not be right to mandate one particular type of account.

Providers may also wish to have some flexibility to ensure that the account into which accounts roll over will be appropriate for their customers. As soon as conditions are laid down for what these accounts will look like, that flexibility would be constricted or eroded. The amendment's prescriptive approach would also mean additional costs and complexity. It would require the account into which saving gateway funds are transferred to pay interest at a rate at least as good as that of an ISA offered by the provider in question, or as good as any account offered by a provider that does not offer ISAs. I applaud the hon. Member for Fareham for the ingenuity with which he phrased his amendment following the discussions that we had in Committee. However, it does not mention for how long this requirement would need to be met beyond the point of transfer. This would need to be monitored and policed to ensure that it was effective, and that process would add costs and complexity for providers and for Government in administering the scheme. The hon. Gentleman mentioned Alan Cook, the managing director of the Post Office, who said:

"If there is over-prescription, you will introduce extra costs. We do business in different ways with our customers, and we should allow the organisations to play to their strengths."—[*Official Report, Saving Gateway Accounts Public Bill Committee*, 27 January 2009; c. 28, Q52.]

We need to take that into account.

I have every sympathy with the hon. Gentleman's intentions. We want to see good rates of return offered to savers, and I am aware of the need to consider the setting of sensible defaults because there may well be inertia and people will not be making active decisions. Nevertheless, I still think that the balance of the argument lies with not being prescriptive, and I want to give two reasons for that. First, under the banking code and the requirement to treat customers fairly, banks or others that offer saving gateway accounts that are being rolled over should be offering interest-bearing accounts that are appropriate to the interests and needs of their customers. Our expectation is that at the end of the two-year period, funds will be transferred into the most appropriate account that the provider offers. Of course, we will want to monitor that very closely.

Secondly, as I stressed in Committee, we want competition and a marketplace. We want saving gateway customers to have good deals that are offered by saving gateway providers. Part of that package should involve setting and offering a good default option for when accounts roll over at the end of the two-year period. The more providers there are, the greater the range of options that are available, and the more competition that there is for savings when saving gateway accounts mature, the better that will be for the customer. We want individual savers to be able to choose what happens when their account reaches maturity. If they do not believe that the default option that is being offered to them by their provider is right for them, they have the right to move their saving gateway account, on maturity, to an account that is more appropriate. Obviously the advice and support that account holders receive as their account nears maturity is critical, and we want to continue to work on that with providers and intermediaries.

The balance of argument that has influenced our policy design has been to say that the obligation to treat customers fairly, the competition and marketplace that we think will be there, and the need to give consumers choice rather than have it constrained for them outweigh a requirement to set a mandatory default option. We will of course want to monitor the situation closely. Everyone would be concerned if it became common practice that people offering saving gateway accounts were then encouraging people, on maturity, to roll over into accounts that provided no or very low levels of interest, or certainly levels that were not competitive.

For the reasons I have set out, we do not believe the prescriptive approach that the amendment proposes is the right basis on which to proceed. I hope that I have explained my reasons for the Government's decision.

Mr. Hoban: We have chewed this over in Committee and again today. My concern is to ensure that the default option is a good one for saving gateway account holders. Where there is inertia, as there will be for many people, who will not necessarily make the rational choice that we might want them to make, we want them to default into an account that pays them a good rate of interest. I was keen to move down a more prescriptive route to ensure that there is a good deal for those who effectively make no choice when the account matures. We have to be careful about assuming that people always act in a rational fashion, because that is not always the case. I am an accountant by background, and I am not sure that my financial decisions are always rational. People will not always do a whole of market review to see what the options are and decide that National Savings and Investments is the right approach for them.

I am keen to ensure that the default option is a good choice and that people will not do themselves any harm by defaulting into something that offers a rate that is not comparable to an ISA. Even people who are not paying tax are probably better off in an ISA than in a normal savings account. My approach is to say that we should encourage them to take up a good option that should not cause them too much harm. That would not preclude them from exercising choice, in the same way that in personal accounts there is an auto-enrolment process whereby once someone is enrolled they can decide to opt out. The default option is meant to be a positive one on which they can make a choice. This is the same approach. I would not say that someone has to be in an ISA for two years, 18 months, six months or even a week, but once they have gone into it they can then choose, if they wish, where the best home for their savings is.

There would be another benefit from having a vehicle like an ISA as the default option. This goes back to some of the work that Thaler and Sunstein and others have done on behavioural economics; it is about the concept of mental accounting. If someone has some money locked away or put in a separate account, they have to make a conscious decision to access that money. Sometimes people on low incomes adopt a "jam jar", mental accounting approach to saving. That is why Farepak was attractive. It may not necessarily have been something that most people would accept as a reasonable way of saving for Christmas, but it worked because it was a form of mental accounting in that the money was

[Mr. Hoban]

locked away until it was needed. That is one of the attractions behind defaulting into an ISA. It would be a powerful way of getting people to think about setting their money aside, and it is an account that would do people the least harm to default into, compared with a savings account paying 0.1 per cent. interest, as in many cases at the moment. It would represent a good deal for people who have a saving gateway account that has reached the end of its life.

I do not think that the Minister and I have a huge disagreement; it is a matter of how this is put into practice. He clearly signalled to account providers the sort of options that should be offered to people when their account matures. I hope that the Government will think not only of the choices that they offer to people in the financial education that they put alongside that, but how they ensure that for people who do not make a conscious choice the option that the account rolls into will represent a good deal for savers rather than a less satisfactory deal. That is the driver behind the amendment. We are not far away from the outcome that we want, but there is perhaps a difference of approach in how to get there. However, I am assured that providers will take from this debate the message that there is a commitment on both sides of the House to ensure that people have choice when their account matures, but that where choice is not exercised the default option is a good one. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Third Reading

3 pm

Ian Pearson: I beg to move, That the Bill be now read the Third time.

We had an interesting debate on Report, and I am grateful to all the hon. Members who took part in it, and to the Members of all parties who contributed in Committee. I am grateful for the constructive approach that all sides took in the Committee sittings, and for their approach to the Bill in general. We had some very useful debates and we have made some progress in understanding the Bill. I would also like to thank those witnesses who took the time to give evidence to the Committee.

As hon. Members will know, the Bill will create a national saving gateway scheme from next year. The scheme has two objectives: first, to kick-start the saving habit among working-age people on lower incomes, and, secondly, to promote financial inclusion. Those objectives have been widely welcomed in this House and beyond. The pilots that were run over recent years showed that the saving gateway can achieve these objectives. Sharon Collard, who helped to evaluate the first pilot, told the Committee in our evidence sessions that

"the aim of the saving gateway is to kick-start a savings habit...There is evidence that that can happen."

We designed the scheme carefully, learning the lessons from the pilots, and during the debate we touched on many major aspects of how the scheme can work. We have, rightly, paid close attention to eligibility, which we discussed again today. I agreed in Committee to continue to consider the case for the carer's allowance to be a qualifying benefit. As I said then, carers will be eligible for the saving gateway through the qualifying benefits that are already set out in the Bill, but as I said on Report, the Government are minded to table amendments in the other place to ensure that recipients of carer's allowance who are of working age are entitled to participate in saving gateway accounts.

We looked at the match rate on Report, and at the Government's proposed contribution of 50p for each pound saved in the scheme, and I believe that all parties, and the witnesses in Committee, agreed that that is the right level at which to set the rate. We covered various aspects of the scheme's design, such as the monthly deposit limit, the length of accounts and what should happen to the accounts when they mature.

There has also been debate about delegated powers, and the procedure to be followed for their exercise. As I said in response to the amendments of the hon. Member for Fareham (Mr. Hoban), we believe that we have struck the appropriate balance, but we will continue to consider the issue in the light of any forthcoming report from the Delegated Powers and Regulatory Reform Committee in the other place.

These have been useful debates, and we were pleased to have the opportunity to put the Government's thinking to the test and to put these issues on the public record, as well as to debate them with Members on all sides of this House. I believe that this is an important Bill. The fact that there is such a broad political consensus should not detract from the fact that we are taking steps to establish a national savings gateway scheme for the first time, which will give around 8 million people a strong incentive to save. By giving them a chance to save up to £600, and earn up to £300 from the Government, but also by helping to build a lifetime savings habit and by bringing people into the financial mainstream, the Bill can make a real difference to people's lives and I commend it to the House.

3.4 pm

Mr. Hoban: As the Economic Secretary said, there is broad support for the Bill. He also mentioned on Report how long it had taken to get the Bill on to the statute book. The idea behind it was first mooted in Labour's 2001 general election manifesto, and it will come into force after the next general election—I do not know whether that is the longest time it has taken a pledge to move from manifesto to enactment, but 10 years is a long time for people to wait.

Mr. Jeremy Browne: I have one example of something that has taken longer: the forthcoming referendum on introducing proportional representation. We still await that keenly.

Mr. Hoban: I should always expect a Liberal Democrat MP to make a reference, wherever possible, in any debate, to proportional representation, but that may take longer to introduce. I suspect that, from the outset, the Bill was far more likely to come into force than his demand for a referendum.

Some might argue that the Bill is a distraction from the economic and financial crisis that the country is facing, but we also need to bear in mind that one in three households in this country have no savings and no cushion against being laid off, or are facing wage cuts or

an end to overtime. This Bill serves a valuable purpose in encouraging people, particularly those on low incomes, to save. People on higher incomes have an opportunity to smooth out fluctuations in income and expenses to which those on low incomes do not have access. If the Bill is successful in encouraging people to save, it will enable them to create a modest buffer against variations in income, such as the unexpected expense of being laid-off for a short period. It will give people a degree of financial security that they have not had hitherto.

The Bill is a means to an end. It is designed to develop a savings culture in this country and there is a relatively generous match of 50p in the pound to encourage that culture to develop. A clear belief was expressed in the evidence that we heard that the two-year duration and the match level would be sufficient to start to encourage the development of that savings culture.

I do not believe that the account in itself is enough. Alongside it, we need an emphasis on financial education and other ways of tackling financial exclusion. We need to help people to understand why it is important to save, and although the lessons people learn from the financial crisis will act as a spur to save at the moment, a longer-term change in culture is needed.

We need to ensure that there is an evaluation of the effectiveness of the scheme. We need to demonstrate that it works. There is a significant cost to the taxpayer—it will cost £340 million in the first three years of its operation, falling to £60 million thereafter—so we need to demonstrate that taxpayers' money is being spent well and wisely, that the Bill has led to people saving money and to an increase in net wealth.

There are some rough edges to the Bill. We talked on Report about the mismatch between the groups of people we want to help and the way in which the Government will deliver the Bill by tackling the issue of benefit entitlement. We understand the practical and pragmatic approach that the Government have adopted in trying to achieve the Bill's goals, but we should not forget that there will be people on low income who are not eligible for the account, and we need to find ways of encouraging them to save. More work needs to be done on that.

The Bill is a welcome measure that will help to tackle the lack of savings among a small group of people—although it must be said that 8 million people are eligible. The problems families are facing today give a clear sign that we need to do far more work to encourage people to save to provide a cushion for short-term fluctuations to their income, and to enable them to take responsibilities for their families' futures in the long term. The Bill is a start, but far more work needs to be done to achieve the goal of increasing savings in this country.

3.9 pm

Dr. Ladyman: This has been an enjoyable Bill to be involved with, and I am grateful to Members of all parties for that. The debate has been good-humoured and largely consensual, and we have done some good work. At worst, the Bill will put about £250 million into the pockets of people on low incomes that they would not have otherwise had. At best, it will encourage some of those on low incomes to get into the savings habit to make their lives a bit more comfortable in the future. I do not believe that any Government other than a Labour Government would ever have contemplated introducing such a Bill. It might have taken slightly longer to get here than we envisaged, given that we first put it in the 2001 manifesto, but the fact that it has reached this stage is most welcome.

Not only have we had an enjoyable time bringing the Bill to this point, we have even won an important and welcome concession from the Government on ensuring that carers of working age will be included in the ambit of the Bill, as the result of an amendment that my hon. Friend the Economic Secretary has said he will introduce in the Lords. It is not often that Members win a concession from the Government, and I am sure that the Whips will be keen to point out that it was won through argument and persuasion, without the need for blood to be spilled on the floor of the Lobby. I am grateful to my hon. Friend for the open way in which he listened to arguments and accepted them, and for saying that he will act to address the matter.

The one thing that we need to think a little more about is the fact that we are all being a little bit po-faced about the objectives of the Bill. The whole purpose of it is to get people into the savings habit, but we seem to be assuming that that will be a positive thing only if they carry on saving everything and keep all their money in the bank. I believe that if we manage to encourage people on low incomes to do some saving, one of the best ways to encourage them to keep saving in future will be if they spend some of the money that they gain on something fun. I would not want us to create an environment in which people think that they have to put every penny of the benefit that they gain from a saving gateway account into another savings account immediately and lock it away there for their retirement. I hope that some of my constituents use it to buy themselves a new pair of fancy shoes or a weekend break with the family. As long as they get the savings habit and carry on saving, the Bill will have been well worth while. I congratulate my hon. Friend the Economic Secretary on his work in bringing it this far.

3.11 pm

Mr. Jeremy Browne: This stage of the legislative process is a little bit like an Oscars ceremony, as we run through all the people who are worthy of appreciation and thanks. I should like to thank the witnesses who appeared before us in the Public Bill Committee a few months ago, the civil servants for the assistance that they have given and the hon. Member for Fareham (Mr. Hoban) for his thorough and intelligent scrutiny of the Government. I thank the Economic Secretary for the considered way in which he has taken on board all the representations that have been made to him.

The hon. Member for South Thanet (Dr. Ladyman) is right to draw our attention to the way in which the Minister has found himself persuaded—I shall not call it a concession—by arguments that carers should be brought within the scope of the Bill. That is an important change, which will be appreciated by many people who feel somewhat neglected in other regards or feel that their burdens are not sufficiently appreciated by society as a whole. They will have looked upon our deliberations, and when they come to feel the full consequence of them they will appreciate what has been done.

[Mr. Jeremy Browne]

There are two important features of the Bill, which have been the reasons why it has commanded support from all parties. First, it will provide a buffer for people who otherwise run their finances down, often because they have very little money, to a point where they have no security if there is some external shock for which they have not budgeted. That can make people's lives difficult. As we have said before, if the washing machine breaks down or some feature of their life is suddenly changed without their being able to anticipate it, those people have no scope to address that difficulty. If the Bill helps in that regard, it is very much worth while.

The bigger objective is to give people who currently have the smallest stake in society a bigger stake, and particularly a financial one. The amounts of money saved do not have to be particularly large, but the people who are enticed to save money because of the Bill will feel that they are participating in a wider collective endeavour and that the actions that are taken in their community, whether by Government or other organisations, have some bearing on their lives. They will then feel that they have a stake in the process, which is hugely important. As I said on Second Reading, it is the equivalent of the share-owning democracy being extended to people in the bottom 10 to 20 per cent. of society. That will bring widespread social benefits if the Bill works out as successfully as we all hope.

Of course, we will see whether we have got some of the details right once the Bill takes effect, such as whether the 50p rate is correct, too high or too low and what people do after the two-year period has elapsed. However good the pilots were, we will never really know that until the scheme is properly up and running. I very much hope that it will succeed, and I have enjoyed participating and wish the Bill well.

3.15 pm

Mr. Walker: The Bill is a small step towards ensuring that this country rediscovers the savings culture. Our long-term prosperity will be built not on spend now, worry about it tomorrow but on savings and investment for the future. This is a small but important step.

We must drive discipline through the income scale. The Bill is about low earners, but the savings culture is relevant to everyone, wherever on the scale they appear, because they all have costly needs and demands. When people lose their job, it does not matter whether they are earning £10,000 or £100,000, they find themselves in difficulties. We must ensure that in future, people put some money aside for a rainy day.

We must remember that although the current financial crisis was not caused by people on low incomes, they are too often paying the price. Credit is drying up at their end of the scale as well, and they are struggling even more to gain affordable credit. As a result, they are being forced deeper into the arms of loan sharks charging exorbitant rates. We talk about putting things on the never-never, but as we know, as soon as someone misses a payment to loan sharks, they are on the doorstep making their life extremely difficult and miserable.

I need to be able to sell the Bill in Broxbourne, because it will be relevant to many of my constituents. I hope that the Minister and his civil servants will put together a pack of information leaflets, brochures and so on so that I can play my part in selling it to my constituents and getting the citizens advice bureau involved. I want to play an active part in giving it the push that it deserves.

I congratulate the Minister on all his work on the Bill. I hope that when he gets back to his office this afternoon the phone will be ringing off the hook, with all the chastened chief executives of major clearing banks calling him up and demanding the chance to deliver this initiative as soon as it comes into being next year. It has been a great pleasure to serve on the Public Bill Committee and to participate in the Bill's various parliamentary stages. I wish it the best of luck.

3.18 pm

Mr. John Redwood (Wokingham) (Con): The Bill is a mouse of a measure to handle an elephant of a problem. The Liberal Democrats say that this is the Oscars ceremony, but can anyone believe that the Bill deserves an Oscar when it is well below the standard of an amateur production, albeit by a group of professionals who should know better? Indeed, Ministers' audacity in not realising how feeble the Bill is in relation to the savings problem that they confront takes one's breath away.

We meet against the background of a huge economic crisis, in which savers are being wiped out daily. If they have risky assets, they are falling in value catastrophically. If their money is on deposit in the banks, the interest rate is now tiny. In the stages of the Bill in which I participated, one of my biggest disappointments was the unwillingness or inability of the Economic Secretary and the Government to tell us anything about how the money would be invested and what sort of return it might earn, yet they have had a decade to prepare the measure. They tell us that they have consulted the savings industry, which will help effect the Bill, but there the Economic Secretary sits, thinking of something else, because he knows that he will get his Bill and he has not a clue about what sort of offer or deal will be available when it is enacted and translated into action on the ground.

It is a disgrace that so many people in this country are so poor that they have no savings. It is a disgrace that a savings culture for such people has not been more actively promoted to give them a buffer and more options and choices in life. It is a common aim of all the parties represented in the House to do something about it. However, do the Government genuinely believe that such a measure will work if interest rates for savers are 0.5 per cent. or 1 per cent.? Do they believe that it will work if all they do is borrow more and more, thus conveying the message that the way to get ahead and have a decent job is to borrow and borrow, not save and be prudent?

The Government are by far the most imprudent with whom the country has ever been cursed. They add trillions to the public debt—*[Interruption.]* They think that that is funny, but they have the audacity to say to the very poor that they must never borrow, but save, and that the Government will give them a tiny increment from the money that they will borrow on behalf of us all. They cannot even tell the prospective savers what sort of an interest rate they might get on their money.

It is typical of a Government who have lost the plot, who are wrecking the economy and driving us deeper and deeper into gross national debt that they introduce a pathetic, limp, delayed and inadequate Bill and feel proud of themselves.

Question put and agreed to.

Bill accordingly read the Third time and passed.

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Alan Haselhurst): With the leave of the House, we shall take motions 4, 5 and 6 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

BUILDING SOCIETIES

That the draft Mutual Societies (Transfers) Order 2009, which was laid before this House on 19 January, be approved.

EMPLOYMENT AND TRAINING

That the draft Industrial Training Levy (Construction Industry Training Board) Order 2009, which was laid before this House on 22 January, be approved.

That the draft Industrial Training Levy (Engineering Construction Industry Training Board) Order 2009, which was laid before this House on 22 January, be approved.—*(Mr. Ian Austin.)*

Question agreed to.

Business of the House

3.21 pm

The Deputy Leader of the House of Commons (Chris Bryant): I beg to move,

That, in respect of the Northern Ireland Bill, notices of Amendments, new Clauses and new Schedules to be moved in Committee may be accepted by the Clerks at the Table before the Bill has been read a second time.

The motion simply allows amendments to be tabled before Second Reading of the Northern Ireland Bill next Wednesday. That will be necessary if the programme motion, which will allow all the Commons stages of the Bill to be taken in one day, is accepted on Wednesday.

The context of the Bill is important and, indeed, is the reason for tabling the business motion, which, I hope, is for the convenience of the House. The agreement by the First Minister and the Deputy First Minister of Northern Ireland on 18 November set out a process that would move Northern Ireland towards the completion of devolution with the resolution of the thorny matter of policing and justice. That will be a crowning achievement, if we can get there.

The Northern Ireland Bill affects those elements of the November statement and the Assembly and Executive Review Committee report that require primary legislation. The Bill provides a framework for the post-devolution Administration—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I am sorry to interrupt the Deputy Leader of the House, but, to echo his first words, the motion is narrow, and we should not start to anticipate the programme motion, which may be tabled at a later stage. If he seeks to widen the argument now, apart from my having the duty to rule him out of order, he would widen the debate to the extent that other hon. Members might want to participate. Then we really would have a problem.

Chris Bryant: That is of great assistance to my speech. I do not wish to stray into considering the programme motion—I merely wanted to provide some context so that people understand that the only reason for the business of the House motion is to enable Members to table amendments in the next few days. If they are tabled tomorrow, Monday or Tuesday, they could be published before Second Reading. That is not the House's normal custom. It is necessary only because we hope that the programme motion will be carried next Wednesday. That would enable us to take all the Bill's stages in one day.

One other point is material. The House requires speed only because there will be further stages after the Bill completes its passage here—namely, a Bill in the Assembly to establish the department of justice and a resolution by the Assembly, followed by Orders in Council, which must then come before the House.

Mr. Deputy Speaker, you agreed with me that the motion is a simple one. I recognise that the time scale for the legislation is compressed, but the Government have allowed 10 days between the introduction of the Bill and the debates to ensure that all right hon. and hon. Members can familiarise themselves with the detail and, if necessary and if they choose to do so, table amendments before Second Reading. I hope that the motion has the support of the House today.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. I call Mr. Shailesh Vara. Let me say to the hon. Gentleman that it is helpful to rise in one's place if one is seeking to be called.

3.24 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): I may have been here three and a half years, but your advice is always welcome, Mr. Deputy Speaker. It shows that no matter how long one has been here, there are always things to learn. I will keep my comments brief. We are operating under unusual circumstances, and, in a different context, we on the Conservative Benches would perhaps have taken a different view. However, all things considered, we will be supporting the motion before us.

3.25 pm

Mr. David Heath (Somerton and Frome) (LD): This debate is about an unusual procedure, although obviously not one that is out of order, because it has occasionally been used before. However, it is an unusual procedure to enable amendments to be tabled before Second Reading. We have procedures in this House for a reason. We have them to allow orderly debate, particularly on legislation, in order to ensure that Members have proper opportunities to raise points that they think are important, that those points are properly considered by the proposers of the Bill—in this case the Government—and that there is a possibility to amend the legislation.

That is why we have the well-established procedure of after First Reading having, Second Reading, which is an opportunity to consider the principles of a Bill. Following Second Reading, we have the opportunity to table amendments, with careful provisos to ensure that amendments are not tabled at the last moment and, therefore, that amendments do not come before the House that hon. Members have not had the opportunity to peruse properly. Then we have the Committee stage, which enables proper clause-by-clause, line-by-line scrutiny of the Bill. Then, again after an appropriate period, the Bill, as amended, is reported to the House, with the opportunity for amendments to be tabled and for further consideration before Third Reading.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): We are talking about hon. Members having the opportunity to peruse amendments, but it is crucial that the process should give outside organisations and outside interests the time to look at what has been tabled and therefore the chance to influence hon. Members.

Mr. Heath: I absolutely agree with my hon. Friend: that is why there should be substantial reasons for deviating from the normal process.

I do not wish to pre-empt the consideration of the programme motion, which we anticipate will come before us next week. However, in considering the motion before us today to enable the tabling of early amendments, which is predicated on the assumption that the programme motion will go through and that it will require the House to consider all stages of the Bill in one day, we should at least have the opportunity to raise our concerns.

Andrew Mackinlay (Thurrock) (Lab): The problem with the programme motion next week is that it is like a mafia offer. If we debate the programme motion, protest at how short it is and relate it to this debate, we will be eating into the precious minutes available for Second Reading, Committee and Report. Also there might be statements. It is a charade.

Mr. Heath: I have a good deal of sympathy for what the hon. Gentleman is saying.

What might be the reason for the proposal to table amendments before the basic principles of the Bill have been considered on Second Reading? There are two possible arguments. One is that the urgency of the matter will be such that a programme motion will receive ready assent from hon. Members once it is put before the House, because the urgency is transparent. However, we know that the deadline to complete the remaining stages of the Bill in good order—as many of us want to do—before Royal Assent is not until the end of March. This is the lightest legislative Session that we have ever had, and there is ample time to give more than one day to the consideration of this important Bill. It could have historic significance for Northern Ireland and we ought to give it proper consideration. The argument that we need to be able to table amendments early because this is a matter of urgency is unsustainable, because it would be quite possible for the House to maintain its normal procedures without difficulty in this regard.

The other, less satisfactory, argument would be to suggest that there was consensus among all those in the House on the objectives and details of the Bill and that any amendments should be tabled early to enable proper and swift progress to be made. I do not believe that such consensus exists, however. Yes, there is consensus on the final objective of the Bill. I doubt whether any hon. Member does not wish to see the repatriation to Northern Ireland of the justice functions to ensure proper devolution. The issue is not the final objective, but the detail.

The Bill is not that long; it contains only five clauses. It would not take long to give any amendments proper consideration in Committee in the normal way. So we are talking about a week—or perhaps two, at a maximum—in Committee. That would not disturb the timetable—*[Interruption.]* The Minister says that it would, but he cannot deny that we have a window of opportunity between now and the end of March for the Bill to be given Royal Assent—*[Interruption.]* He says that that is not the case. Will he please tell the House why not?

Chris Bryant: The Government are very keen to ensure that all the processes to which I have referred—some of which, including the timing, are not within our gift and have to be undertaken by the Assembly in Northern Ireland—can be completed by the summer recess. In order for that to happen, the Bill has to be out of both Houses by mid-March.

Mr. Heath: I think that the Minister is badly advised on that point. I think that that is not the case, but he will no doubt check the actual terms with his colleagues in the Northern Ireland Office.

This is a matter of principle. These changes to our normal procedure are being made not for the convenience of the House but for the convenience of the Executive.

They have had since November to bring forward this Bill, but they have not done so. Now they are proposing that we table amendments to it before we have even had the opportunity to discuss its basic principles on Second Reading. That is an abuse of the procedures of the House. We have had Northern Ireland Bills where this has been necessary and welcome, because of the need to make very quick progress, but this is not such a Bill. It is not a Bill about which such arguments can properly be made, and I wish to put on record my protest at this abuse of the normal procedures of the House without any adequate reason.

I do not intend to vote against the motion, because to do so would provide a pyrrhic victory. It would prevent amendments from being tabled if a programme motion was passed next week and the Bill was to be considered in a single day. That itself tells us what an abuse of the process this is. If we do not pass this motion today, a Government Bill will be rubber-stamped by a majority in the House without any proper consideration. That cannot be the right way for the House to proceed.

3.34 pm

Andrew Mackinlay (Thurrock) (Lab): I rise because I have objected to this motion over the past two nights and because I have consistently criticised in this House successive Secretaries of the State for Northern Ireland for pulling the same stunt time and again. They always come to the House saying that legislation must be passed not expeditiously, but in one day. That is repugnant to me, and it should be repugnant to this House, as it makes a total nonsense of what we do here.

Following up the point of the hon. Member for Somerton and Frome (Mr. Heath), speaking for myself—I will perhaps elaborate when we debate the programme motion next week—I think that all we needed was the separation of one evening between Second Reading and then Committee and Third Reading. Indeed, it was originally intended that the legislation would be dealt with this afternoon. I put this question to the Minister: why was it not possible to have Second Reading today and Committee and Report on the Floor of the House next Wednesday? That would have been the most appropriate arrangement, and it would have been consistent with what is happening in another place. Time and again, we find that the House of Lords spends two days on such a matter, while the House of Commons goes through the charade of giving a rubber stamp.

Mr. Heath: I am most grateful to the hon. Gentleman, who may be interested to know that the provisional business given for another place indicates that it will take Second Reading of the Northern Ireland Bill on Monday 9 March, and Report and Third Reading on 11 March. The other place therefore has the opportunity to debate the matter properly, while we in the elected House do not.

Andrew Mackinlay: Yes, and it will not have escaped your notice, Mr. Deputy Speaker, that surprisingly there is invariably a statement on Wednesday—we sometimes have two statements—yet we have to finish our business by 7 o'clock. If we have a programme motion to consider and then Second Reading, Committee and Report, the idea that we will have had proper debate is simply a fiction.

Our colleagues from the Democratic Unionist party will legitimately and not unreasonably expect to say something about the Bill, as will Social Democratic and Labour party Members. The hon. Member for North Down (Lady Hermon) is likely to want to come along, and there are other parties—I think the Liberal party speaks here on a proxy basis for the Alliance party. It will be a nonsense.

This motion is necessary to get over the embarrassment; it facilitates the charade of next week. I am not prepared to acquiesce in it by my silence, and we should bear it in mind that my right hon. Friends the Members for Neath (Mr. Hain) and for Torfaen (Mr. Murphy) have done this time and again. I support the legislation in principle, but it does not have to be done with a wave of a magic wand; it needs proper examination.

Mr. Gregory Campbell (East Londonderry) (DUP): The hon. Gentleman is quite right that there is a broad consensus in Northern Ireland about the principle of devolving policing and justice powers, but will he accept it from me that there is also a broad swathe of opinion in Northern Ireland among those who are quite content to allow the present position to pertain for months, if not years, in order to allow what is happening at the moment to stabilise, and only then to proceed in the fullness of time, thus negating the need for the process that is under way today?

Andrew Mackinlay: I accept, of course, what the hon. Gentleman says; he speaks for his constituents in East Londonderry and he knows the territory—I use the term in the broadest sense to mean the Province—very well. He knows that I accept his views on these matters.

The motion before us basically means that whatever is said on Second Reading will not be able to influence or counsel anyone as to the nature of the amendments they table. What burns me up is that the minutes of Second Reading will be a total charade. What normally happens, as you know, Mr. Deputy Speaker, particularly when it comes to legislation that is not party political, is that people want to reflect on and contemplate the details of what is said on Second Reading. Undertakings are often given, which mean that further amendments will not need to be tabled. Sometimes amendments are needed to probe, but that has to be done before Second Reading—before seeking undertakings from the Secretary of State.

There are undertakings to be sought; let me provide one example. The Bill proposes that arrangements facilitated by it will go on until 2012, and there is a sunset clause. That assumes, however, that the Alliance party will still be part of the Northern Ireland Assembly after the next Stormont general election. The Bill makes no provision for what will happen otherwise. There is a vacuum—a void. I should like the opportunity both to press the Secretary of State on Second Reading and to table an amendment after Second Reading, to take cognisance of what might well prove to be another constitutional crisis in Northern Ireland in 2011.

Mark Durkan (Foyle) (SDLP): Like my hon. Friend, I believe that no legislation should be microwaved through the House in this way. The Bill makes changes to—and arguably does injury to, in some cases—at least four pieces of legislation that the House has passed in the

[Mark Durkan]

last 10 years or so. The Bill will have unforeseen consequences, especially if it is passed hastily and legitimate amendments are not even considered. It will also have foreseen consequences for which no one should wish to provide—namely the collapse, or dissolution, of a Department in 2012, and possibly no Minister's being appointed after 2011. That is not a sensible way for the House to legislate.

Andrew Mackinlay: *I agree with those comments,* which buttress the concern that I have expressed about the motion.

You will have observed in your reading of the Bill, Mr. Deputy Speaker, that it not only creates a Ministry of Justice, but deals with judicial appointments. I am not opposed to those measures, but they are extremely intricate. In any United Kingdom or, rather, England and Wales legislation, the Secretaries of State on both sides pore over such matters. They chew the cud. They ask for reassurances. All these measures, however, will go through in an afternoon. Moreover, if unamended, the Bill will allow major subordinate legislation to be passed elsewhere, in the form of an order, in an hour and a half.

I wish to acknowledge the courtesy of the Leader of the House, who met me earlier today to discuss the issue at some length. I indicated to the Deputy Leader of the House, by means of a nod and wink, that I wished to know whether there was any news. Apparently there is not, in which case I am disappointed, but I am grateful for the courtesy shown by the Leader of the House in the first place.

As was made clear in the Chamber when I issued a challenge during business questions, the Government argue that this is not merely a matter that requires expedition, but a matter of the utmost urgency. They imply that if the hon. Member for Thurrock frustrates the process he is a dead rotter, because he will scupper the whole architecture of the future of Northern Ireland justice. They also say that they want the legislation to be enacted and up and running by the first anniversary of the creation of the Northern Ireland Executive—and, they say, it is now two years since the creation of the Executive, so we are way behind time. Some people who do not appear in the House are complaining. Well, I do appear in the House, and I want to enact the legislation correctly. As I said to someone this morning, the second anniversary is not 1 May, as the Bill claims, but 8 May. That gives us an extra week in which a day can be allotted for the Committee stage and Third Reading.

Mr. Peter Bone (Wellingborough) (Con): The hon. Gentleman is making an extraordinarily powerful speech with which I entirely agree, but I seek his advice on one point. If the House divides on the motion—in which case I shall be inclined to vote against it—might that not mean that no amendments can be tabled? Are we in a Catch-22 situation?

Andrew Mackinlay: That is why I observed earlier this afternoon that this was like a mafia offer: an offer that I cannot refuse. I do want the opportunity to table some amendments, inadequate though that opportunity is. At least their lordships may pick them up, seeing the nonsense that has gone on in this place. At least we shall be able to flag up some amendments that have not been explored. That does not mean, however, that we should do the ultimate in rubber-stamping and nod the motion through, as we did last night and the night before, without its being made clear to the current Leader of the House that we have had enough, and will refer to this debate on the next occasion when Northern Ireland legislation has to go through its stages in a single day.

I find wholly bogus and somewhat offensive the suggestion that we have to cut, and make a sham of, our practices in order to facilitate the Northern Ireland Assembly. Both individual Members and the body itself have my greatest respect, but with respect, it has plenary Sessions two days a week at most, finishes at 6 o'clock, and will adjourn in June or early July. It has been advanced to me that that is why it is imperative that this mother of Parliaments must fit in with the Northern Ireland Assembly and go through this nonsense. That is not acceptable. I hope that there might be some change even at this late stage, especially given that the Deputy Leader of the House has indicated that the Leader of the House is still contemplating the issue.

Let me explain what I propose: we should have the Second Reading next Wednesday, the opportunity to table amendments after that, and proceed again as swiftly as is sensible and possible to facilitate Northern Ireland Members in particular, so that probably the following Wednesday we would have the Committee and Third Reading.

3.46 pm

Mr. Nigel Dodds (Belfast, North) (DUP): It is a great pleasure to follow the hon. Member for Thurrock (Andrew Mackinlay), who has made powerful points this afternoon with which my party is in agreement. He says that he has been told that what is proposed is being done in order to facilitate the Northern Ireland Assembly. I am a Member of that Assembly—indeed, a member of the Executive, and there are colleagues present beside me who are in even more senior positions in the Northern Ireland Executive—but I am not aware of any request from the Northern Ireland Assembly to the effect that this legislation has to be introduced on a particular date or that it has to be rushed through in a particular day. The hon. Member for Thurrock made the point that even if this needs to be done speedily, it does not need to be done in one day, and that time can be found in order to allow at least a gap between some stages, which would allow both proper reflection and consideration of some of the issues and amendments to be tabled in the normal way.

Mr. Peter Robinson (Belfast, East) (DUP): Is not the main factor in determining the timing of this matter whether there is an end date? As no end date has been agreed for the devolution of policing and justice, however, is there not plenty of time to have a full debate in this House and the other place, and to allow the Assembly to have legislation?

Mr. Dodds: My right hon. Friend is absolutely right. Of course, he speaks with great authority on these matters as he is the First Minister of Northern Ireland as well as a Member of this House. He makes the point that was alluded to by my hon. Friend the Member for East Londonderry (Mr. Campbell): the urgency on this matter seems to be coming entirely from one direction—the

Government. It is not a demand of the Northern Ireland Assembly or the parties there. The Government must recognise that by seeking to build up a sense of urgency and a sense that these matters must be dealt with within a very constrained timetable they do not contribute to building confidence in Northern Ireland that the matters have been dealt with in a proper, sensible and thorough way.

People in Northern Ireland regard policing and justice and the devolution thereof as an extremely serious issue. It has taken up enormous amounts of time in discussion among the parties in Northern Ireland, because given our history and the sensitivity of these issues, any decision to devolve policing and justice is a very serious step, and it has to be done on the right conditions and when there is confidence in the community. That remains the position.

On the legislation, I take issue with some of the remarks of the hon. Member for Foyle (Mark Durkan). From the perspective of Unionism, and particularly of the Democratic Unionist party, we are content that many of the legislation's provisions are helpful and an advance on the previous position. I know that the hon. Gentleman sees it as a retrograde step, and I know that he takes issue with Sinn Fein on their negotiating ability on some of these issues—

Mr. Deputy Speaker (Sir Michael Lord): Order. May I say gently to the hon. Gentleman that he should return to the question of timing, which is the issue before the House?

Mr. Dodds: I shall do so, Mr. Deputy Speaker. The issues need proper consideration, instead of being crammed into a short space of time. They deserve to be debated at length, and there is no reason why we should take only one day.

Time and again when we deal with Northern Ireland legislation—and it seems only to apply to Northern Ireland legislation—it is rushed through in a short time. That is not acceptable. It is not right and it should not happen, especially in relation to this very important issue.

3.51 pm

Mark Durkan (Foyle) (SDLP): It has been said that this timetable is necessitated by the requirements of the Assembly. As other hon. Members have pointed out, there is no reference or record showing that the Assembly has made such a request or that there is such a demand, and there is no business specifically timetabled for the Assembly in this respect, even though some of us regret that fact. The Assembly and Executive Review Committee has not agreed anything that would suggest that it expects legislation to be introduced within a given time. The relevant legislation in the Assembly would have to be tabled jointly by the First Minister and the Deputy First Minister, and I know of no agreement between them to do so or with the Committee to schedule business in the Assembly on that basis. The House therefore cannot rely on the impression that was given by the Deputy Leader of the House in that respect.

I have already indicated that, like others, I do not believe that microwave legislation can be a good idea in any circumstances. This legislation has implications. It will change things that were provided for in various bits of legislation over the past few years, and we need to tease out whether it does so carefully, properly and responsibly. Many of us wish to table amendments that would offer better fall-back positions than the Bill does. The fall-back positions in the Bill are more like fall-down situations, such as Departments being dissolved, left without a Minister or having their functions broken up and distributed across other Departments. Some of us will table amendments that would create a reliable fall-back situation, but in all likelihood there will be no time for those amendments to be dealt with.

Mr. Heath: What the hon. Gentleman has said, and what DUP Members said earlier, convinces me that it would be unwise for amendments to be tabled before we have had the opportunity to hear what the parties in Northern Ireland have to say about the legislation, but that will not be possible under the timetable before us today.

Mark Durkan: The hon. Gentleman makes a telling and important point. It may be useful that there is some agreement on that particular aspect, at least in procedural terms, between a party such as mine and a party such as the DUP. We obviously differ on some of the substance of the Bill. For example, my party wants to see the devolution of justice and policing happen quickly, but it must happen on the right terms. We disagree with the DUP about the injury that the Bill would do to previous provisions, including the provisions of the Northern Ireland Act 1998, but we share a common concern that if we are to be competent, responsible legislators, we should all have a fair chance to air our views and table amendments. That would be the best approach for the reputation of politics. Legislation for the optics, especially to suit a party that is not here, is not the best way for this House to conduct its business.

3.54 pm

Mr. Peter Bone (Wellingborough) (Con): It is a great pleasure to follow the hon. Member for Foyle (Mark Durkan) and the hon. Member for Thurrock (Andrew Mackinlay), whose speech as a parliamentarian will, I hope, have been noted by those on his Front Bench. I hope that the Deputy Leader of the House has taken on board the comments made today.

I am afraid that this is not a one-off incident. Time and again, we have seen the time for Parliament to debate a controversial issue dramatically restricted. It is not in the Government's interests to do that, as it appears that they are hiding from proper scrutiny. As we have already heard, we are in a Catch-22 situation. If we vote against the motion, no amendments can be moved. I hope that the Leader of the House will have heard the debate and will propose a revised timetable.

This year, the House is sitting for one of the shortest periods in living memory. If we had not had this debate, we would have finished three or three and a half hours earlier than we were required to. The problem is not that there is not time, but that the Government are rushing through something that they do not want scrutinised. The Deputy Leader of the House is shaking his head, so I assume that that means that he has changed his mind and will give more time for proper scrutiny. Failure to do that reflects badly on the Government

[Mr. Peter Bone]

and does not help their case. If the Deputy Leader of the House wants to intervene and argue against that point, he can, but I am afraid that it is true that time and again the more controversial the issue, the less time we get to debate it.

Mr. Deputy Speaker: I call Chris Bryant.

Chris Bryant: I was not intending to speak, Mr. Deputy Speaker.

Mr. Deputy Speaker: Far be it from me to persuade the Deputy Leader of the House to contribute if he has no desire to.

Question put and agreed to.

Mike Penning (Hemel Hempstead) (Con): On a point of order, Mr. Deputy Speaker. On Monday afternoon, this House welcomed 125 British servicemen and women on their return from Iraq. They were members of 7 Armoured Brigade. How can I place on record thanks to the staff of this Palace for welcoming those troops so warmly? A lot of them completely put themselves out, doing things that are unusual in this Palace, such as opening doors to allow people to walk through in a way that was suitable for those servicemen and women in uniform. Can we place on record our thanks to the staff as well as our thanks to our armed forces?

Mr. Deputy Speaker: The hon. Gentleman asks how he can put his thoughts on the record. First, I think that we would all sincerely share his thoughts. Secondly, he has put them firmly on the record and has done so well.

Alistair Iain Campbell

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Ian Austin.)*

3.58 pm

Mrs. Anne McGuire (Stirling) (Lab): I am grateful for the opportunity to raise my concerns about consular support for British prisoners in foreign jails. The Foreign and Commonwealth Office has a long history of coming to the aid of British citizens in all kinds of places, suffering all kinds of hardship. Consular and embassy officials stationed around the world are there to help and are truly recognised for their commitment to helping our nationals and their families in times of trouble.

Providing support to British nationals arrested or imprisoned abroad is a crucial part of the FCO's job. According to the independent charity, Prisoners Abroad, at any one time there are as many as 2,500 British people in foreign prisons. While they are there they face all kinds of conditions that would challenge a prisoner in the UK, too. They are isolated from family and friends, perhaps feeling alone and without easy access to help. In addition, prisoners in foreign jails often have little or no understanding of the language being spoken or the legal system to which they are subject. Although I appreciate that every legal system is different and that the FCO is operating admirably in some of the most difficult parts of the world, the experience of one of my constituents somewhat closer to home has caused me great concern.

In 2000, Mr. Alistair Iain Campbell of Killin was a lorry driver operating between the UK and Europe. A fellow lorry driver, Jeffrey Logan, was found guilty in a court in Boulogne of smuggling 117 kg of cocaine—worth, I understand, about £8 million—after French customs officers had searched his lorry on a return trip to Belgium. Mr. Logan claimed that he had agreed to bring back a package on behalf of my constituent, Mr. Campbell.

As a result of Mr. Logan's testimony, an arrest warrant was issued in France for my constituent. A trial was set for Mr. Campbell in May 2002 in France, but he alleges that he took bad legal advice from both Scottish and French lawyers, who advised him not to attend the trial. He was convicted in his absence and sentenced to nine years' imprisonment, plus a £5 million fine. Mr. Campbell and his family have consistently challenged the veracity of the case against him.

In 2005, the French authorities issued a European arrest warrant for Mr. Campbell, and his lawyers applied to the Scottish Court of Appeal to overturn the extradition request. The Court of Appeal in Edinburgh heard his case in February 2008. It ruled that

"he had deliberately absented himself from his trial"

in France in 2002 and upheld the extradition request. Mr. Campbell then voluntarily presented himself to officials in Scotland, who carried out the extradition to France in March 2008.

The charges levelled at Mr. Logan by Mr. Campbell—and, indeed, vice versa—are of course extremely serious, and this debate is not about the legal case, but I thought that it would be helpful to explain to the Minister how Mr. Campbell came to find himself imprisoned in Villepinte prison, 10 miles outside Paris, since last March. I want

to reassure you, Mr. Deputy Speaker, that all the facts that I have used in my comments so far are matters of public record, and that I have not taken anyone's name in vain in the House today.

It was during the extradition process that Mr. Campbell and his family first contacted me for help. Since his extradition, I have remained in contact with him via his sister Margaret, and I have the family's permission to raise his case in the House in this Adjournment debate. Through Margaret, we have received news of Mr. Campbell's living conditions in prison.

He arrived at Villepinte prison—which is apparently only a short-term holding facility—with only the clothes that he was standing in. He was initially incarcerated in his cell for 22 hours a day, and he has described the sanitary conditions at the prison as "medieval". He had to buy his own food and toiletries, and the Foreign Office also told me that money transfers were carried out within their three-week deadline—something that I must tell my right hon. Friend the Minister is disputed by Mr. Campbell's family. For example, they state that money sent on 26 March 2008 did not arrive with him until in the week of 19 May 2008. I emphasise the question of money because French prisons operate differently when it comes to prisoners purchasing their food.

Mr. Campbell is allowed to communicate with his family only by letter. His health has apparently deteriorated, and his sister tells me that he had open sores on his back through lack of clean clothing and because he is allowed to wash only three times a week. For some time he was reliant on the kindness of a fellow cellmate with limited English who fed him and gave him toiletries. His prison social worker does not speak English and, because Mr. Campbell speaks no French and neither the FCO nor the prison authorities would provide a translator, he is suffering serious difficulties communicating with the prison authorities.

Initially, Mr. Campbell asked for French language lessons and to use the prison library. However, because his requests have to be made on slips of paper pushed under the door of the office of the nearest prison officer, he appears to have had no response. It was not until later in his sentence that he managed to gain access to the library and a language teacher, through his own initiative. He hoped to start French lessons last September, although his family have not heard whether he has been successful.

I turn now to the issue of the Foreign and Commonwealth Office's involvement. Consular officials visited Mr. Campbell in prison after his arrival there, and I understand that they assured him that he would be transferred to a more modern facility, where he would get basic privileges such as a daily shower and the use of a telephone to communicate with his family. The FCO has since advised that Mr. Campbell would need to apply for that himself. He has now made a formal request to the prison director for a move to a different prison, but has been advised that that could take some considerable time. Apparently, he has heard little news since.

Given Mr. Campbell's family's increasing concerns for his well-being, I contacted on a number of occasions my right hon. Friend the Member for East Renfrewshire (Mr. Murphy), the then Minister for Europe. He advised me that consular staff in France raised Mr. Campbell's health issues with the prison social worker, who advised them that Mr. Campbell knew that he could seek a doctor's advice at any time. They offered to revisit him to explain that to him. His family have advised me that he has asked to see a doctor on a number of occasions, but his medical problems persist. The FCO was apparently advised that Mr. Campbell had not applied to take part in any prison activities, and that was why he was kept in his cell for such long periods.

In my right hon. Friend's letter of 28 April 2008, I was told that I could speak to dedicated FCO consular directorate staff in Whitehall if I had any further inquiries. When my staff contacted the consular directorate, they were told that under data protection rules, the directorate was not able to pass on any information about Mr. Campbell's case or situation to his MP without his express consent. Mr. Campbell's sister, Margaret, who has financial power of attorney for Mr. Campbell while he is in France, has given me her written permission, although the FCO deemed that insufficient. Despite a number of forms apparently being sent to Mr. Campbell by the FCO, it continued to advise me that it had received nothing in writing from him. Telephone calls to the Foreign Office confirmed that Mr. Campbell had been sent a number of further authorisation letters and return postage-paid envelopes, but they had not been returned as requested. As a result, my inquiries with the FCO came to a standstill. I understand that it has now managed to make contact. Luckily—and coincidentally—it received written permission in time to prepare for this debate.

Mr. Campbell's family have told me that he is visited weekly by a religious sister—a nun—who is in contact with the family in the UK. She described the prison as "a terrible place". Mr. Campbell does not get breakfast. Apparently, his first meal of the day is raw food, and he has no way of cooking. There does not appear to be a dining room in the prison, and inmates have to eat meals in their cell. Partly in consequence of that, Mr. Campbell is losing weight. Apparently, clothes sent to him just a couple of months after his imprisonment were too big.

Despite that testimony to the contrary, the FCO has insisted that it understands that the prison where Mr. Campbell is being held is a "modern facility". I appreciate that standards of prison welfare in other countries may differ from those that we expect in the UK, but I am sure that the Minister for Europe will appreciate that with such a radical difference of opinion on prison facilities and standards, Mr. Campbell's family are deeply concerned. The family have the distinct impression that the FCO will not take up any other welfare concerns, will not provide any more help or advice, and will not arrange for consular staff to visit Mr. Campbell, even to establish whether he received the authorisation letters posted to him when the issue was in dispute. I would be grateful if the Minister clarified her understanding of those matters.

Alistair Campbell is not that far away from us here in this Chamber. It takes a little over two hours to get to Paris from central London. To put that in context, that is less than half the time that it would take to travel from London to Mr. Campbell's home in the village of Killin in my constituency. The prison is not on the other side of the world but minutes from the capital of our closest mainland European neighbour and a fellow member of the European Union.

[Mrs. Anne McGuire]

The FCO guidance states that its priority is to make sure that British citizens are treated the same as imprisoned nationals of the host country. Despite numerous attempts to highlight what are, by now, pressing health and well-being issues, the FCO appears to have given differing advice at each turn, passing responsibility from the Minister's office, which I fully understand, to the consular directorate, and later to the embassy in Paris.

I do not wish to appear too critical, given what I said in my opening comments about FCO support for UK nationals in general, but I feel that in this case a clearer chain of command and communication and a better definition of responsibilities would surely have helped my constituent's cause throughout this sorry episode. Notwithstanding the numerous question marks hanging over the validity of the criminal charges against Mr. Campbell, his experience gives the impression to his family, rightly or wrongly, of remoteness, confusion or even a general attitude of disinterest within the FCO.

As I mentioned at the beginning of my speech, this debate is not a vehicle by which to question the integrity of the process by which Mr. Campbell found himself in such an apparently awful situation. However, it is crucial that we look at the level of support or, according to the family, the lack of it that the FCO has provided to my constituent. I shall therefore look at seven of the guidelines for supporting British prisoners abroad, as they are listed on the FCO website.

The first guideline states that the FCO will

"provide general information about the relevant country, prison conditions and the local legal system, including whether local legal aid is available".

Mr. Campbell appears to be still in the dark about his legal standing in France. He has received no word on how his pre-extradition detention of some five months in a Scottish prison will impact on his final sentence, what his rights are as a prisoner in a French jail, what assistance is available through the local legal system, or how he is expected to find £5 million to pay a fine when he is serving nine years in a French prison.

The second guideline to which I wish to draw attention is that the FCO

"will provide a list of local lawyers and interpreters".

As I highlighted earlier, Mr. Campbell has had no list, nor has he apparently received any FCO help in obtaining language or legal assistance.

The third guideline states that the FCO will

"make sure any medical or dental problems are brought to the attention of the police or prison doctor".

Mr. Campbell's continuing health problems have been the subject of repeated contact with the FCO, and his family's concerns remain.

According to the fourth guideline, the FCO will

"take up any justified complaints about ill treatment, personal safety or discrimination with the police or prison authorities".

As I think my summary of his case makes clear, the Foreign Office appears not to have taken up any of Mr. Campbell's complaints, according to his family. Fifthly, the guidelines go on to say that the FCO will

"send money to prisoners from their families".

I have already highlighted the problems encountered by Mr. Campbell and his family in this regard.

Under the sixth guideline, the FCO promises to

"provide information on how British prisoners may apply for transfers to a UK prison".

To date Mr. Campbell has apparently been told different things in his initial consular visit and the subsequent advice from the FCO. Finally, the FCO states that it will visit prisoners

"once after sentencing and then only if there is a real need."

Given the details of Mr. Campbell's case as I have set them out today, I must admit to my right hon. Friend the Minister that I am somewhat unsure what would qualify as "real need", as those words are understood by his family in Scotland.

There is another issue that is directly relevant to Mr. Campbell's case and of more general interest, with which I hope the Minister will be able to help us. Under the European framework decision on sentenced prisoner transfers, which is due to be introduced across Europe in 2012, all European nationals will be transferred from prisons in which they are currently held to prisons in their own countries. I would be grateful if my right hon. Friend advised us about what preparations are being made to support those prisoners, including my constituent, throughout the process and on their return to this country.

There are organisations out there—such as Prisoners Abroad, which I mentioned at the beginning of my speech—that are dedicated to helping people, such as Mr. Campbell, who find themselves for all sorts of reasons in foreign prisons. The Minister will be aware that Prisoners Abroad relies on Government grants to fund its activities. I would certainly be grateful if she enlightened us about the future funding plans for Prisoners Abroad, so that it may continue to support prisoners, their families and those returning to the UK from incarceration around the world, for the benefit of everyone in our communities.

As I said at the start of my speech, I understand that across the world the Foreign Office works closely to support individuals and it has a close and long-standing relationship with Prisoners Abroad to ensure the maximum support in certain circumstances. Indeed, I recognise that without the FCO much of the work done by organisations such as Prisoners Abroad would simply be impossible. I hope that the Minister will recognise that that example of how good work can be undertaken serves to highlight the apparent failings in Mr. Campbell's case and why I have raised it this afternoon.

Mr. Campbell and his family are understandably angered by the apparent lack of support that he has received, in the face of terrible conditions and in a country from which, frankly, they deserved and expected better; as I said, it is only a couple of hours' travel from this Chamber. Sadly, every attempt to intervene on Mr. Campbell's behalf made by his friends, his family and me, has appeared to make little impact. The basic rights and respect that we afford prisoners here in the UK have gone unfulfilled for Mr. Campbell, and his family feel that they have been abandoned by their own Government. I look forward to the Minister's response.

4.17 pm

The Minister for Europe (Caroline Flint): I congratulate my right hon. Friend the Member for Stirling (Mrs. McGuire) on securing this debate and I am pleased

to respond to the points that she has made. As a constituency MP myself, I, too, have for a number of years followed up cases in which constituents of mine or their families and friends have been detained overseas. The situation is not easy to deal with—not for the families in the UK, and not for the person being detained. Furthermore, it is a difficult and sensitive situation for our consular service. I welcome the keen parliamentary interest shown by the House in consular assistance. It is an important matter, and it is important that Ministers and officials at the Foreign and Commonwealth Office take it seriously.

I will begin by briefly setting out the kind of support that consular staff can provide to British prisoners in foreign jails, before speaking in more detail about Mr. Campbell's case. Our consular staff aim to contact all British nationals detained overseas within 24 hours of being told about their detention. They will then aim to visit the detainee as soon as possible, if he or she wishes. Consular staff keep in regular contact with prisoners, either by visiting personally or by telephone or letter. How often they visit will depend on local conditions and the prisoner's circumstances.

In France, consular staff will visit once every 12 months when a detainee is on remand. After sentencing, consular staff in France would aim to visit a detainee once in prison to establish what prison conditions are like. Further visits could be arranged if particular circumstances made them necessary. As my right hon. Friend made clear, the Foreign and Commonwealth Office does not take any view about the guilt or innocence of any British nationals detained overseas; that is a matter for the detaining state. Our role is primarily one of welfare—to ensure that prisoners are treated fairly and in accordance with international standards. When that is not the case, we can, with the individual's permission, take up any justified complaints about ill treatment, personal safety or discrimination with the relevant authorities. However, we cannot obtain special treatment for British nationals.

Our staff help to ensure that the detainee has legal representation. They can provide a list of local lawyers who speak English and provide detainees with information on the prison and on local judicial systems. They will also try to ensure that, if necessary, the detainee receives adequate medical attention. If the detainee asks for their family to be informed of their situation, consular staff will arrange for this to be done. Consular staff can help with the transfer of money from the family to the detainee for additional comforts to those provided by the prison, and they can help families to arrange visits. Consular staff will also tell detainees and their families about the charity Prisoners Abroad and how it can help them. Foreign and Commonwealth Office staff work closely with that charity. We provide it with some funding, and we will continue to do so in future; I will refer to that later.

I should like now to direct my remarks to the case in question—that of Mr. Alistair Iain Campbell—which our consular staff in London and France have been following closely. We take our data protection obligation seriously; that is why we do not discuss cases with third parties unless we have specific permission of the British national involved. I am pleased to say that we now have Mr. Campbell's permission to discuss his case with my right hon. Friend in this Chamber. Having looked over the series of events as to how that permission was sought, I think that in some respects we might have expedited that more quickly. I will take that up with the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Lincoln (Gillian Merron), who has overall responsibility for consular services, to ensure that she is clear that when Members of Parliament contact Ministers about constituents, we seek to expedite the request for permission by the person being detained as soon as possible.

Mr. Campbell was tried in his absence in Boulogne in 2002 on a charge of involvement in trafficking drugs after being named as an accomplice by a British national who was subsequently convicted of the same charge. The court formally summoned Mr. Campbell to appear for trial and notified him of its findings. However, as my right hon. Friend indicated, Mr. Campbell says that his British lawyer, who consulted a French lawyer, advised him not to return to France or appoint a legal representative to act on his behalf. Unfortunately for Mr. Campbell, his lack of legal representation meant that he did not file an appeal within the specified limits under French law for the period for appeal—that is, 10 days from the date of sentencing. Consular staff were informed in March 2008 that Mr. Campbell was to be extradited to France under a European arrest warrant.

The Government cannot intervene in this type of extradition. There is no role for Ministers in the European arrest warrant procedure, as it is based on a judicial decision issued for the purposes of conducting a criminal prosecution or enforcing a prison sentence that has already been imposed. The principle behind the European arrest warrant is one of mutual recognition. That principle now exists widely within the EU and underpins a number of law enforcement instruments. When one of our EU partners extradites a British national, we cannot intervene; otherwise, we would undermine this principle of mutual trust and lose the benefit of this co-operation.

Mrs. McGuire: For the sake of clarity, I want to reiterate that at no point have I ever suggested that there should be political or ministerial intervention in the legal process. I want to ensure that that goes on the record in case an implication is taken from what the Minister has said as to what I asked her predecessor to do.

Caroline Flint: I appreciate my right hon. Friend's intervention. I reiterate that at no time has that request been made of any Minister. I merely wanted to put on the record for the House where the lines of engagement are drawn and the very good reasons why they should be like that.

Once Mr. Campbell had been extradited to France, our consular staff provided him with information on the prison and on the local judicial system and gave advice on how his family could send money and clothing to him. Once permission was obtained from the French prison authorities, consular staff visited Mr. Campbell in prison to check on his welfare. At that time, the only complaint that Mr. Campbell raised was that he was unable to appeal the court's sentence, and he was advised to write to his lawyer to explore any possible avenue to appeal. Consular staff continue to keep in touch with Mr. Campbell and with his family in the UK.

Turning to the specific questions raised by my right hon. Friend, the question of how Mr. Campbell's pre-extradition detention will impact on his final sentence is a matter for his legal representation to take forward

[Caroline Flint]

with the relevant authorities in France. A pack of general information was provided to Mr. Campbell on 7 March 2008. That pack included information on the services that consular staff can offer, as well as general details on what assistance is available through local legal systems, such as obtaining legal aid. The information pack also included general guidance on the French judicial system, on how families can arrange visits and financial assistance, and on how detainees can arrange appointments with prison health workers. I would be happy to provide a copy of that pack to my right hon. Friend and, should it be necessary, to the family here in the UK so that they can be assured of, and have access to, the information that was provided to Mr. Campbell.

Mr. Campbell's lawyer is currently attempting to arrange an appeal and until that is settled, the transfer back to the UK under the prisoner transfer agreement cannot take place. If the appeal goes forward and is successful, I will look into the points my right hon. Friend has made about the arrangements that would fall into place if a transfer was possible under that scheme.

Since Mr. Campbell's imprisonment, consular staff have monitored his situation and they have been in contact with prison medical staff to ensure that he knows how he can arrange visits with the prison doctor and social workers. Consular staff have spoken to prison staff to satisfy themselves that health workers speak English to ensure that Mr. Campbell has no linguistic problems. Again, if there is any evidence to the contrary, I would be happy to double check with consular staff that that is still the case.

Consular staff also took up Mr. Campbell's concerns with prison officials once the appropriate permissions had been obtained from Mr. Campbell. We note his complaints about the conditions in the prison. However, consular staff have informed me that the prison came into service in 1991 and that it is regarded as a modern facility. Clearly, there is a large gulf in opinion on this matter, but having been built in 1991 it is obviously not a particularly old building. If we can bring ourselves closer together on that issue, I am sure that it would help everybody concerned.

We have received only one money transfer request sent from Mr. Campbell's family. Having looked into the matter, I am sorry that, for administrative reasons, the processing of the money transfer seemed to take longer than usual and longer than stated in the guidelines that we set for ourselves. I can only apologise to Mr. Campbell and his family for any distress that that may have caused and assure them that we have now put in place procedures to ensure that our processing times are kept to an absolute minimum.

As I stated earlier, our policy in western Europe is to visit once after sentencing and then only if there is a real need. Consular officers provide prisoners with the contact details of the consulate and details of whom to contact if a problem arises. Prisoners are able to write to or telephone the consulate with any concerns that they have. As I said, consular staff will decide how best to address those concerns and whether a visit is needed.

As I mentioned earlier, we work collaboratively with Prisoners Abroad and greatly value the work that it does. It is an independent charity funded from a number of sources including the Foreign and Commonwealth Office, other Whitehall Departments and private donations. The FCO's current funding commitment to it runs until the end of the 2009-10 financial year.

I thank my right hon. Friend for raising this issue. I have taken on board her points about the money transfer—I apologise for the delay in that—and the concerns about how to ensure that permission is sought as soon as possible from a person being detained, so that when letters are sent to Members about contacting our consular service, they are not met with a refusal due to the lack of that permission. I believe that that is unfortunately what happened in this case.

I assure my right hon. Friend and the family of Mr. Campbell that consular staff do their best for all prisoners held in such circumstances, and they will continue to monitor his welfare and provide assistance and support where they properly can. I hope that we can close the gap between the family's perceptions of the conditions and the advice that we are receiving through our embassy in Paris, the consular service and the consular directorate here in the UK.

Question put and agreed to.

4.29 pm

House adjourned.

House of Commons

Thursday 26 February 2009

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

MANCHESTER CITY COUNCIL BILL [*LORDS*] AND BOURNEMOUTH BOROUGH COUNCIL BILL [*LORDS*]

Motion made, and Question (15 January) again proposed,

That the promoters of the Manchester City Council Bill [*Lords*] and Bournemouth Borough Council Bill [*Lords*], which were originally introduced in the House of Lords in Session 2006-07 on 21 January 2007, may have leave to proceed with the Bills in the current Session according to the provisions of Standing Order 188B (Revival of bills).—(*The Chairman of Ways and Means*).

Hon. Members: Object.

The debate stood adjourned; to be resumed on Thursday 5 March.

CANTERBURY CITY COUNCIL BILL, LEEDS CITY COUNCIL BILL, NOTTINGHAM CITY COUNCIL BILL AND READING BOROUGH COUNCIL BILL

Motion made, and Question (15 January) again proposed,

That the promoters of the Canterbury City Council Bill, Leeds City Council Bill, Nottingham City Council Bill and Reading Borough Council Bill, which were originally introduced in this House in Session 2007-08 on 22 January 2008, may have leave to proceed with the Bills in the current Session according to the provisions of Standing Order 188B (Revival of bills). (*The Chairman of Ways and Means*).

Hon. Members: Object.

The debate stood adjourned; to be resumed on Thursday 5 March.

Oral Answers to Questions

ENVIRONMENT, FOOD AND RURAL AFFAIRS

The Secretary of State was asked—

EU Floods Directive

1. **Mr. Philip Dunne** (Ludlow) (Con): What recent discussions he has had with the Environment Agency on the implementation of the EU floods directive. [258775]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): DEFRA officials hold regular discussions with the Environment Agency on a range of matters associated with the draft floods and water Bill, which will include the implementation of the EU floods directive.

Mr. Dunne: The EU floods directive is due to be implemented this September. What reassurances can the Secretary of State give to the many people who have suffered flood damage in the past couple of years in particular, including my constituents, who have suffered flood damage three or four times in that short period? What reassurance is there that the Environment Agency will be able to implement the directive on time, when there were some 200 flood risk-based vacancies in the agency only last summer?

Hilary Benn: I am well aware of the flooding that the hon. Gentleman's constituents have suffered, and the greatest reassurance that I can offer him is that since the floods of 2007, 49 schemes have been put in place, protecting 37,000 homes across the country, as I have reported to the House previously. Frankly, that is the best protection. We are putting more money into flood defence; indeed, we are bringing forward some of that investment in order to provide the protection earlier. We will be consulting on the draft floods and water Bill, which will look at how we implement the EU floods directive. Part of the work that that will require is already in train. The Bill will cover the further steps that we need to take to implement it.

Mr. David Drew (Stroud) (Lab/Co-op): My right hon. Friend was very helpful at the time of the floods in July 2007, but we were also promised some EU funding for some of the measures that we need to put in place. It would be useful to know what money we have received from the EU and how it can be taken forward in respect of the floods and water Bill. The sooner we get that Bill in place, the better.

Hilary Benn: The question of EU funding to support the recovery effort was dealt with by my right hon. Friend the Secretary of State for Communities and Local Government. As I indicated in answer to the first question, we are significantly increasing the investment in providing defence. It is important that we do that, because it gives us the opportunity to provide more flood protection. Each scheme has to be assessed against criteria. Not all of them can go ahead, but the best thing that we can do is ensure that more money is available.

Mr. David Heath (Somerton and Frome) (LD): Almost every weekend since December I have been visiting people who were affected by floods in my constituency. Is not the clear message that there needs to be a step change in our approach to flooding? We need much more emphasis on the maintenance of watercourses and drainage and much more concentration on resilience. We need to empower local communities to help themselves and we need to manage whole river catchment areas more effectively. May I invite the Secretary of State again to visit Somerset and to see for himself the

problems that we face there and, perhaps, some of the solutions that have been developed locally, with which he might help?

Hilary Benn: If the hon. Gentleman will bear with me, I will do my level best to accept his invitation. Indeed, I know that he was personally caught up in the recent flooding. The truth is that the answer is all the things that he mentioned. They were all laid out clearly in Sir Michael Pitt's excellent report, as the hon. Gentleman will be aware. We have accepted all the recommendations and we are getting on with implementing them, because there is not just one solution, and local responsibility is included in that. Indeed, I am absolutely up for looking at steps that can be taken locally, both because that engenders a greater sense of responsibility in local communities about what they can do to help and because, frankly, this is a task for all of us.

Mr. Brooks Newmark (Braintree) (Con): Two weeks ago, many villages in and around Braintree and Witham were once again hit by substantial flooding, which closed roads and left people stranded. Does the Secretary of State agree or at least recognise that my constituency urgently needs further investment for flood prevention, and will he commit to that investment today?

Hilary Benn: I recognise that the hon. Gentleman's constituents were affected by the flooding and I know that he wrote to my right hon. Friend the Minister of State on that question. Mercifully, the number of properties flooded across the country was relatively small and a number of the flood defence schemes that have been put in place acted to protect people in those circumstances. On investment, the Government's position is crystal clear. It would be quite helpful if the hon. Gentleman encouraged his party's new shadow spokesperson to give an equally clear commitment that it supports the investment that we are going to make up to 2010-11.

Domestic Waste Collection

2. **Linda Gilroy** (Plymouth, Sutton) (Lab/Co-op): What plans he has to promote good practice in the collection of domestic waste. [258776]

The Minister of State, Department for Environment, Food and Rural Affairs (Jane Kennedy): It is for local authorities to decide on the best way to collect waste in their area. They are, after all, best placed to make decisions based on local circumstances. Our role is to give them the tools to do that. It is for that reason that we fund the Waste and Resources Action Programme, among others, to provide guidance and share best practice.

Linda Gilroy: I hear what my right hon. Friend says, but in the case of Tory-controlled Plymouth city council, it took the combined efforts of myself, the shadow leader and the local councillor to get some rubbish removed for Mr. Pickford in Vauxhall street. It took more than a week, and even when he reported rat infestation, he received a flippant response. Will the Minister take an interest in ensuring that the quality of service, which was designed to be improved last November, does in fact improve?

Jane Kennedy: I am interested to hear about my hon. Friend's example. As she will know, 99 per cent. of households in Plymouth city council have a kerbside recycling collection of mixed materials, but the circumstances that she describes would be very much worse if the proposed Tory cuts to public spending were introduced. There would be a very bleak prospect indeed for all the available support—not just through WRAP, but through the recycling and organic technology advisory team and others—if the Conservatives were to come to power.

Tim Farron (Westmorland and Lonsdale) (LD): The National Audit Office has warned the Government that they are set to miss their targets for reducing waste going into landfill and therefore face massive fines for failing to achieve good practice. Is it not madness that more of the funds raised by the landfill tax are not going into increasing good practice in waste collection, but are being swallowed up by the Treasury black hole? Will the Minister agree to reallocate funds from the landfill tax and further funds to local councils so that they can step down landfill and step up recycling?

Jane Kennedy: The rate of recycling in England in 1997 was 7.5 per cent.; it is now 34.5 per cent., and it is continuing to improve. The landfill tax has been a singular success and it has focused the minds of local authorities on precisely that threat of failing to reach the targets. Local authorities are working hard, and in very many cases they have got the message. I think that they should be congratulated on the progress they have made.

Mr. Eric Illsley (Barnsley, Central) (Lab): As my right hon. Friend knows, best practice in waste management is recycling. As she mentioned, the Government have a good record on that, but we could improve it even more. Local authorities' recycling targets are measured not by product but by weight; if we had material-specific targets, recycling could be improved, as it could if we also removed the distinction between the collection of domestic and commercial waste in some circumstances. Will the Minister revisit those issues?

Jane Kennedy: My hon. Friend will know that the waste strategy was published in 2007, and that the new economic climate in which we are operating requires us to keep all such matters under review. He has made his point in writing and at meetings. He raises an interesting point, which I will want to study further, but it is worth knowing that a lot of good work is already going on. Just this week, I visited a business in the centre of London, in Great Titchfield street. The business is called i-level; it is a digital media agency that is working with Alupro, the Aluminium Packaging Recycling Organisation, on the "Every Can Counts" initiative, which is all about the recycling of just aluminium and steel cans in a highly specific way. As I said, a lot of good work is going on, but there is always more that we can do.

Sir Nicholas Winterton (Macclesfield) (Con): I am concerned about the service that local authorities give to residents. Increasingly, under councils of every political colour, there is anger and criticism about how local authorities are operating refuse collection, not least

regarding the move from a once-a-week to a fortnightly collection. In many cases, the size of wheelie bins has been reduced. When will local authorities take account of the interests of those paying them their wages rather than seek to meet—I say this although I do support recycling—some unacceptable regulations, many of which come from Europe?

Jane Kennedy: It is obviously a matter for local authorities to determine how local household waste is managed, how it is collected and how much recycling is undertaken. I have already described the improvements across England in respect of the proportion of household waste recycled. The hon. Gentleman's local authority may be behaving in a way that he disapproves of, but let me tell him that in my experience, because of the importance to every household of dealing with waste, this is one of the most highly political issues. It is therefore very important for local authorities to be aware of what their communities are saying.

Lynne Jones (Birmingham, Selly Oak) (Lab): As a busy person who manages to compost my food waste, including small bones and the mouldy stuff that we find at the back of the fridge, may I ask my right hon. Friend what incentives the Government are providing to encourage the roll-out of composting systems such as Bokashi and Green Cone, so that more domestic food waste is kept out of the waste stream and so that gardens flourish?

Jane Kennedy: It is a long time since I looked at the back of my fridge, and I dread to think what is lurking there. The recycling and organics technical advisory team is available to all local authorities in England; it provides advice on the separate collection of dry recyclables, and in particular the organic wastes that my hon. Friend describes. It is doing extremely good work. We also encourage the take-up of anaerobic digestion as an alternative means of dealing with organic waste. Again, good progress is being made by some of the big retailers, who are working with local authorities to bring organic waste into anaerobic digesters and produce some really useful products as a result.

Mr. Philip Hollobone (Kettering) (Con): Kettering borough council has increased its domestic waste recycling rate from 4 per cent. to more than 45 per cent. in the past six years, but following on from the question asked by the hon. Member for Birmingham, Selly Oak (Lynne Jones), to get the figure up to 55 or 60 per cent, we need to tackle the recycling of cooked food waste, which is not allowed into the compostable waste stream. That is proving problematic. Is the Department considering any financial or other incentives to enable local authorities to deal with that particularly tricky problem, so that we can reach the sort of recycling rates to which we aspire?

Mr. Denis MacShane (Rotherham) (Lab): You should eat up your dinner—clean the plate!

Jane Kennedy: On the other hand, health advice would be to eat only what we need to eat. The hon. Member for Kettering (Mr. Hollobone) presses a very good point. He is right that local authorities need to engage much more with the issue of what we do with organic waste, precisely as my hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones) said. There are projects in place, and there is funding, but it needs to be bidded for, and it needs to be based on local circumstances and local need. Good projects should be brought forward; they would then be considered by the regional development agencies, the Department for Environment, Food and Rural Affairs or a local government department.

National Waste Management Strategy

3. **Natascha Engel** (North-East Derbyshire) (Lab): What steps his Department is taking to develop a national waste management strategy. [258778]

The Minister of State, Department for Environment, Food and Rural Affairs (Jane Kennedy): We published the 2007 waste strategy for England on 24 May. Progress remains very much on course, as is shown by continued reductions in levels of household waste—a subject that we have just discussed—and an increase in levels of household recycling.

Natascha Engel: I thank my right hon. Friend for that answer. The emphasis in my question is on the word "national". I think that everybody agrees that recycling, composting and making waste into energy are good things, but on numerous occasions—and twice in very recent history—massive local campaigns have been mounted against a composting plant or gasification unit. The decision has to be taken by the local authority, which will also take the hit for it. Is there some way in which decisions about where such units go could be made nationally, so that we could all take a part in that recycling, composting and gasification?

Jane Kennedy: Some aspects of waste recycling are controversial. Often, the controversy is based on misunderstood information and fears that are not well founded. The Waste and Resources Action Programme offers advice and help, and DEFRA is developing programmes of support for local authorities. The Local Government Association is asking for further detail and guidance on how local campaigns can be clear and reassuring, and can provide good, solid, well-founded information to local communities who might have concerns about a particular technology. There is no doubt that there have been massive improvements in the type of gasification technology that my hon. Friend describes, for example, which causes alarm. People can be reassured that it is good, clean, technology.

Nick Herbert (Arundel and South Downs) (Con): The Minister told me this week that in all but two English regions, landfill capacity would run out in less than seven years' time. We urgently need a better strategy to increase recycling rates further and develop markets to use waste as a resource for materials and energy in particular. Last month, however, the National Audit Office said that DEFRA had responded too slowly to the landfill directive, with the result that waste infrastructure projects were being delayed. Can the Minister explain why a Department that is meant to be leading on environmental protection takes years to act?

Jane Kennedy: As I said earlier, the recycling rate in England was 7.5 per cent. in 1997 and is now 34.5 per cent. A huge amount of work has been done. We expect

the combined impact of our policies in the waste strategy that I described earlier to be a reduction in global greenhouse gas emissions of at least 9.3 million tonnes of carbon dioxide equivalent per year by 2020 as a result of waste management. What would be the impact on targets of that nature of the cuts that the hon. Gentleman would be forced to make in any departmental programme of this kind? When in government one makes decisions that have a big impact, and the decisions that we have made have brought about a sea change in household attitudes to recycling.

Mr. David Chaytor (Bury, North) (Lab): Is it not the case that the heart of a national waste management strategy should be the principle that the polluter pays? Does the Minister share my concern about the fact that more local authorities have not shown interest in differential charging for domestic waste? Is it not common sense that the filthiest households should pay more, and what further steps can the Government take to increase local authorities' understanding of the importance of the "polluter pays" principle?

Jane Kennedy: I do not necessarily agree with my hon. Friend. Some of the poorest households find waste management the most difficult, often because the circumstances in which they live are so difficult. I think that we should work harder to understand how we can help households in such circumstances to do better. One possibility is a punitive approach, but I want to study the situation with some of those local authorities, which may be struggling. We know that it is particularly hard to deal with houses in multiple occupation containing lots of families. I want to understand what the barriers are, and how we can reduce them to help local authorities perform better and improve the environments of some of the poorest people in the country by enabling better recycling techniques to be used.

Common Agricultural Policy (EU Review)

4. **Mr. Michael Moore** (Berwickshire, Roxburgh and Selkirk) (LD): What progress has been made in the EU review of the common agricultural policy; and if he will make a statement. [258779]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): The CAP health check was, on balance, a step towards our long-term view of the CAP. In particular, it removed about half the remaining production-coupled payments. We will continue to press for further reform for the benefit of farmers, consumers, taxpayers and the environment in the forthcoming European Union budget review.

Mr. Moore: The hill farmers in my constituency are in an extremely precarious economic situation. Many are being forced to reduce the size of their flocks and herds, or even to contemplate getting out of farming altogether. Does the Secretary of State recognise that those farmers are vital to the well-being of their local communities and the management of our environment? If so, will he ensure that in the next fundamental review of the CAP we retain enough flexibility for the different parts of the United Kingdom to give long-term support to hill farmers?

Hilary Benn: I agree with everything that the hon. Gentleman has said about the importance of hill farming, and join him in paying tribute to the work that hill farmers do. It is tough farming, undertaken by some of the toughest farmers whom I have met.

I note the hon. Gentleman's point about future negotiations, but we have already taken one significant step, which we announced not long ago, in replacing the hill farm allowance with the upland entry level scheme. The fact that that has been so widely welcomed reflects both a recognition of the Government's commitment to supporting hill farmers, and our hard work in listening to feedback about what would help them when we were drawing up the scheme.

David Taylor (North-West Leicestershire) (Lab/Co-op): Does not the CAP cost the taxpayers of the European Union far too much and benefit far too few people? Agriculture represents about 1.5 per cent. of the aggregate EU GDP and about 5 per cent. of people in the EU work in agriculture, but almost half the EU budget is consumed by it. That cannot be allowed to continue for much longer, can it?

Hilary Benn: As my hon. Friend and the House will know, it has been a long-standing aim of the UK Government to reform the CAP in order to address some of the difficulties to which he has drawn attention, and as I said, the health check was, on balance, a further step along the way—although there were some steps forward and also one or two steps back. In the end, the Government's objective is to support farmers for the public goods that the market will not reward them for, which is why we have argued long and hard for a shift of resources from pillar one to pillar two. Agri-environment schemes are extremely important; we celebrated their 21st anniversary last year, but the truth is that this is a long, hard slog, because different EU member states take a different view about the need for reform.

Mr. Roger Williams (Brecon and Radnorshire) (LD): Farmers are often hampered in producing food by regulation associated with the common agricultural policy. Given that only one animal out of all those tested in England and Wales last year under the fallen stock scheme proved positive for BSE, is it not now time to review the ban of on-farm burial and lighten the burdensome and costly regulation that farmers have to endure?

Hilary Benn: I take the hon. Gentleman's more general point about the cost of regulation, which is why we have been vigorous in, for example, trying to get the best deal we can on electronic identification of sheep. We have made some progress, but as he will be aware, not enough member states are worried about the matter to change the nature of the regulation itself. On his specific point, what is most important is that we act on the basis of the veterinary advice that we have about risk. I undertake to come back to him with a further response to the matter he has raised, but managing the risk and making sure there is no risk to the public has to be the overriding consideration in dealing with BSE.

Mr. Denis MacShane (Rotherham) (Lab): Did not the Secretary of State put his finger on it when he said that reform is opposed by a large number of other countries? There is broad consensus across the House

and, I think, the nation on the need for CAP reform in this country, but we have to persuade Dublin and France and Madrid to think differently. To that end, will the Secretary of State bring in some of the Church charities that campaign on opening up trade for the third world, and ask them to talk to the Churches and equivalent charities in Ireland, France, Spain about fighting for a real alteration, because there is no use in our agreeing to this in Britain if we cannot persuade our partners elsewhere in Europe?

Hilary Benn: My right hon. Friend, who has great experience in these matters, of course, is absolutely right: in the end, we have to get agreement across Europe to make the change. The agricultural policies that are pursued in Europe do have an impact on some of the poorest farmers in the developing world. That is relevant to the question of food security, because an urgent task that we face is to support a growth in agricultural production, particularly in the developing world, to feed a rising population, and that is harder for a farmer to do if they do not have a market and cannot see an incentive. I welcome my right hon. Friend's suggestion that we should encourage this debate, looking at all aspects of the importance of agricultural production and at making sure Europe has the right policy, but in the end we have to get consensus.

Mr. James Paice (South-East Cambridgeshire) (Con): I am pleased to hear the Secretary of State endorse the point about reducing the burden of regulation, and he will know of his own Department's target to reduce the burden by 25 per cent. by next year, but is he aware of the research by Open Europe showing that, far from reducing, the burden is actually increasing dramatically? It estimates that the cost of the regulations that derive from the EU but are interpreted and implemented here is now £1.2 billion, an increase of a massive 47 per cent., and even more seriously, that home-grown regulation—regulation that originates in this country, and largely in his Department—has increased by 275 per cent. since DEFRA was established in 2001. Therefore, rather than waiting for any review of the CAP, when is the Secretary of State going to get a grip on what his own Department is doing and start to lift the burden on our farmers?

Hilary Benn: If the hon. Gentleman would like to draw attention to the specifics of the home-grown regulation to which he is opposed, it would be interesting to hear what he does not want us to do. As he knows, the vast bulk of the regulation comes from Europe and the nitrates directive, for example, was agreed not by a Labour Government but by his party in 1991, so it would have to answer for the form that that took. We worked very hard last year to implement the changes that were required under that legislation in such a way as to minimise the impact on farmers.

I have already indicated what our position is in relation to electronic identification for sheep. As the hon. Gentleman will know, we have been fighting the pesticides regulation because we do not think that the case has been made, particularly given that there has been no proper impact assessment in Europe. A message that could be sent from both sides of the House to Europe—both in current circumstances, when times are tough, and more generally—is that we should do the things we need to do to deal with problems, but we should not add to farmers' responsibilities if it is not strictly necessary.

Pitt Report

5. **Alistair Burt** (North-East Bedfordshire) (Con): When he last met Sir Michael Pitt to discuss the recommendations in his report, "Learning Lessons from the 2007 Floods". [258780]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): I last met Sir Michael Pitt to discuss our response to his report in November. I and DEFRA officials will continue to consult him on progress in implementing his recommendations. The Government will report further every six months, beginning in June this year.

Alistair Burt: When they next meet, will the Secretary of State discuss with Sir Michael the concern, raised repeatedly at public consultations on the Pitt recommendations—particularly by drainage boards such as that in my constituency, which represents the Great Ouse and River Ivel valley areas—that the Environment Agency's policy of minimal dredging as part of its maintenance is continually increasing the risk of flooding, particularly in low-lying, slow-moving watercourses? When is this policy going to be changed?

Hilary Benn: I will gladly raise the issue that the hon. Gentleman has drawn to my attention, of which I am very aware. The Environment Agency spends about £34 million a year on dredging, clearance of debris, polling trees and removal of weeds. The issue is that in some cases, it makes sense to do that to enable the water to pass more quickly to reduce the impact of flooding; but in others, dredging, by the act of speeding up the movement of water, merely makes it arrive faster somewhere else and adds to the problem of flooding. The decision therefore needs to rest on local knowledge about the watercourses and what the consequence of action in one place will be for another place. The Environment Agency takes that responsibility very seriously. The issue is the subject of continuing debate and I have raised it with the agency previously.

Mr. David Kidney (Stafford) (Lab): DEFRA has a great little scheme that funds some pilots through which farmers and land managers manage their land in ways that hold back flood waters. I have been to see a scheme at Seighford, near Stafford, with Matt Jones from Staffordshire Wildlife Trust, who is the project manager. Some really low-tech solutions are successfully keeping back flood waters at times of pressure. Will my right hon. Friend be talking to Sir Michael about the assessment of those pilots, with a view to seeing whether they could be rolled out more widely? If he does, can he report back to MPs who have pilots in their area?

Hilary Benn: I would be very happy to take up the last of my hon. Friend's suggestions. He makes a very good point, which shows why we are doing the pilots—in order to see what contribution proper management of the flow of water can make to reducing the impact of flooding. As the whole House recognises and as we discussed a moment ago, we need all these means to try to deal with the problem. As I have told the House previously, I am up for considering everything that will be effective in trying to minimise the impact of flooding on communities and people's lives.

Nick Herbert (Arundel and South Downs) (Con): Sir Michael Pitt has warned that local authorities need legislation to give his recommendations the priority that they deserve. It will soon be a year since the Prime Minister announced a draft floods Bill. As we head towards the second anniversary of the 2007 floods, with more than 1,000 families still in temporary accommodation, why have we not seen even a draft of this Bill? Is it not true that there is now no possibility of this legislation being on the statute book before the election, and that, yet again, DEFRA is living up to its reputation as the Department of delays?

Hilary Benn: I take this opportunity to welcome the hon. Gentleman to his Front-Bench position. I know that he has a very strong personal commitment to the issues that he will now be dealing with as the Opposition spokesperson. I wish him a long and very successful career as the shadow Secretary of State.

We will be producing the draft floods and water Bill for scrutiny in the not-too-distant future—in the spring. Clearly, it takes time to work out what changes in legislation are required. I reject the hon. Gentleman's accusation that DEFRA is a Department responsible for delay. The figure I gave earlier of the number of flood defence schemes that we have got on with and implemented in the year and a half since the great floods of 2007 shows that this is not a Department that is delaying things, but one that is committed to getting on with things and providing greater protection to people.

Secondly, it is not as though we have waited for legislation. Although in some respects there is a lack of legal powers to make things happen, we have already indicated to local authorities that the upper tiers will have responsibility for dealing with surface water flooding. We have also got on with funding and, as I announced to the House in December, the first group will start preparing the plans. We are not waiting for the Bill to get on with the work, but if we do need powers to ensure that we can protect people as fully as possible from flooding, that is what the Bill will achieve.

Mr. Ian Cawsey (Brigg and Goole) (Lab): My right hon. Friend will be aware that Sir Michael Pitt's report mentioned the importance of co-ordination between different organisations in terms of flood defence and flood relief. However, although the Environment Agency is looking at new river catchment flood defence plans, I still speak to local authorities, internal drainage boards, landowners and the National Farmers Union who all think that they are not being involved enough in the formulation of those plans. Where several catchment area plans meet, such as in areas of Goole, Snaith and the Isle of Axeholme, not enough thought has been given to the combined effect of the plans. Will my right hon. Friend speak to the agency to ensure more joined-up thinking in that regard?

Hilary Benn: Not only will I do that, but I have already done so. My hon. Friend raises an important point. The Environment Agency has responsibility for drawing up the plans, but this is everybody's problem—including local councillors, MPs, the agency and others. I know that Chris Smith, the chair of the Environment Agency, is seized of the need to improve co-ordination. It works well in some areas, but has some progress to make in others. For communities affected by these problems and given the increased funding, we really want the chance to say, "This is the range of options to deal with the problem." Local communities have to play a part in deciding the priorities, because the choices they make will have consequences. I am determined that we should try to improve co-ordination, but it does mean that everybody must take responsibility for dealing with a problem that faces all of us.

Topical Questions

T1. [258795] **Tony Lloyd** (Manchester, Central) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): DEFRA's responsibility is to enable us all to live within our environmental means. At its meeting last week, the United Nations Environment Programme governing council agreed to negotiate new international controls on the use of mercury. That will be an important step forward in protecting human and environmental health and has been widely welcomed by Governments and NGOs. This agreement clearly demonstrates the value of the United Nations.

Tony Lloyd: May I bring Ministers back to matters more domestic, and to the surface water drainage scheme, which is causing enormous consternation not only to church groups, but to flat dwellers who feel that they have been very unfairly treated as their bills have shot up—especially in comparison with commercial properties? Will the Government look at this again and see whether Ofwat has allowed the profiteering water companies to get away with something that they should not have been allowed to get away with?

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): I thank my hon. Friend for raising what is a very important issue that has been addressed in the House before. He will be aware that the focus has been on the charges imposed by one individual water company, United Utilities. There is a strong regulatory regime, and back in 2003 the Secretary of State made clear his guidance on the need to be proportionate and fair in the introduction of those charges. We have worked with the regulator and the utilities company, and we are pleased to say that some progress has been made—not least United Utilities' commitment to roll back its charges to the 2007-08 regime, which is in effect the pre-surface water drainage charges, and to take the next 12 months to work with the regulator to ensure that the charges next year will be fair and proportionate, as well as recognise the impact on churches, scout groups, sports clubs and others.

Mr. Richard Benyon (Newbury) (Con): Recreational sea anglers have virtually no impact on the marine environment. In fact, they can be a great help in terms of our knowledge of fish stocks. Some 1.1 million sea anglers will welcome the EU Commissioner's row-back on plans to include the recreational catch in national quotas. Does the Minister accept that this issue will not go away until the Commissioner defines "recreational sea angler", and will he tell us what efforts he is making to bring closure on this ludicrous proposal?

Huw Irranca-Davies: I thank the hon. Gentleman for that question and, although we have met on other occasions in Committee, I welcome him to his first DEFRA questions as an Opposition spokesman. He is right to say that this is an important issue. The angling fraternity in the UK is huge: it has an important function socially as well as economically, and its members are known for their environmental concerns. We share the concern about the need for an adequate definition of "recreational angling", as the definition applied in other EU member nations is not the same as the one that affects us here. We are actively engaged in work on this with the Commission, and I join the hon. Gentleman in welcoming the comments by Commissioner Jo Borg. We shall continue our work, and I welcome the hon. Gentleman's support in highlighting those concerns.

T4. [258798] **Mr. David Chaytor** (Bury, North) (Lab): Recycled cooking oil is used increasingly commonly in the production of biodiesel, but it can also be used for power generation. Last year, the Court of Appeal made an important ruling about the use of recycled lubricating oil that should set a precedent for the use of cooking oil in the generation of electricity, but the Environment Agency has not yet made its ruling on that. Will the Minister talk to the agency to seek an early ruling about the use of recycled cooking oil?

Mr. Speaker: Order. May I remind the House that we are on topical questions? We need short, sharp questions and short, sharp answers.

Huw Irranca-Davies: I will take your guidance, Mr. Speaker. The Environment Agency has been in touch with the company Living Fuels about the use of cooking oil as a fuel. The process has been thorough and has taken some time, but I am pleased to say that the agency's chief executive has written to the firm's managing director to accept the offer of a meeting to discuss the matter further and take it forward.

T2. [258796] **Mr. Henry Bellingham** (North-West Norfolk) (Con): Is the Minister aware that proper flood warnings are a vital part of flood protection? In Norfolk, we have a highly effective battery of flood sirens along the coast and the lower reaches of the Ouse. This tried and tested system has worked very well for generations, and does he agree that it would be most short-sighted to replace it with a new system of text messages and radio announcements?

Hilary Benn: I am aware of the issue that the hon. Gentleman has raised. The information that I have is that the sirens are owned by Norfolk county council rather than the Environment Agency, although some people have been under the misapprehension that they were owned by the agency. Their future use and refurbishment are therefore matters for Norfolk county council, and no doubt the hon. Gentleman is raising those matters with that council. However, I am also advised that the police have stated publicly that, in their view, the sirens are no longer required because there are other systems for making sure that people are warned. I think that the hon. Gentleman reinforces once again the need for people who are not already on the Environment Agency's flood warning system to get themselves on it because, frankly, the more ways that people can be advised of a problem, the better.

T6. [258801] **Lynne Jones** (Birmingham, Selly Oak) (Lab): Earlier, I asked my right hon. Friend the Minister of State about incentives to reduce the amount of waste going into the waste scheme, but I am not sure that she addressed that question. Will she look at the perverse incentives in the system that do not encourage waste minimisation and the best quality of recycling? For example, waste glass collected from doorsteps in Birmingham goes to aggregate but, compared to recycling it back into glass, that is not a very environmentally sound way to cope with it. Will she look at how the targets are disincentivising the best kinds of waste minimisation and recycling?

The Minister of State, Department for Environment, Food and Rural Affairs (Jane Kennedy): I am aware that there are some rubbings in the system. Clearly, we need to keep the whole panoply of work that we are doing under review. If my hon. Friend checks *Hansard*, I think that she will see that I dealt with the incentives that my hon. Friend the Member for Bury, North (Mr. Chaytor) raised, but I will look into the specific case that she raises of how glass is being used.

Mr. Anthony Steen (Totnes) (Con): No. 3, Mr. Speaker.

Hon. Members: Just ask the question.

T3. [258797] **Mr. Steen:** This is the first time I have done this.

First, I want to thank the Secretary of State for meeting Devon farmers to discuss the effects of bovine TB. They were extremely grateful for the time he gave to them. He also suggested that there would be some vaccine available for the eradication, hopefully, of bovine TB and that Devon would be probably the first area, or at least one area, that he would consider for that trial. Will he tell the House whether the intention is to vaccinate the cattle, in which case, in the supermarket, will the meat of the cattle have marks to show that they have been vaccinated against TB? Or is the plan to chase the badgers all around Devon? Is the Secretary of State going to employ more officials to chase the badgers and inject them with the TB vaccine?

Mr. Speaker: I said short questions.

Hilary Benn: The first vaccine that we hope to have available next year is an injectable vaccine for badgers. As I said when I met his constituents, it would make a lot of sense to have a demonstration project in an area that is particularly badly affected by bovine TB. An oral vaccine for badgers will take some more time, as will an injectable vaccine for cattle. I have put an increasing amount of money into this because we need to explore all the avenues to try to provide help. I was grateful for his constituents' positive response, which showed their willingness to take part in the injectable vaccine demonstration project when we can get it going.

T7. [258802] **Mr. Jim Cunningham** (Coventry, South) (Lab): I will be as quick as I can, Mr. Speaker.

Will the Minister elaborate on an answer to an earlier question? How will the Department quantify the help that it will give to local authorities to develop green technology?

Mr. Speaker: That is a good supplementary—short and sharp.

Hilary Benn: A number of incentives are already in place in the system, not least for renewable energy, and it is one area in which local authorities can do more. That is why there are incentives under the renewables obligation, why the Government will introduce feed-in tariffs for microgeneration and why the work that my right hon. Friend the Minister of State is doing on anaerobic digestion is important. That all links to a number of the questions that have been asked today. Instead of sticking food waste in landfill where it produces methane, we should generate some energy from it.

T5. [258799] **Dr. John Pugh** (Southport) (LD): I will be brief, but it is a hard question.

What is the Minister doing about the tendency of some retailers and waste authorities to stockpile electrical waste simply to sell it at premium and inflated rates to the producers' organisation, the Recycling Electrical Producers' Industry Consortium? That makes the waste electrical and electronic equipment directive more costly and makes producers' responsibilities harder to discharge.

Jane Kennedy: I am aware that there is some concern about certain operations, and, indeed, that has been some recent media interest. I will look into the case that the hon. Gentleman raises.

Mr. Michael Jack (Fylde) (Con): Can the Secretary of State explain why his Department has cancelled its 2005 commitment to pay 55 per cent. of the redevelopment costs of the vital Pirbright laboratories? What steps will he take to ensure that the redevelopment of Pirbright takes place?

Hilary Benn: As we have made very clear, we had some concerns about the cost-effectiveness of the redevelopment proposal, not least because the cost of meeting the capital charges of that development would also impact on our ability to fund the world-class research. The Biotechnology and Biological Sciences Research Council is now reviewing how that scheme will be taken forward. In the short term, DEFRA will contribute to the cost of an interim building to help the further redevelopment of the site. As the right hon. Gentleman will be aware, a considerable amount of money has gone into it already, and we need to find a cost-effective solution to ensure that we continue to benefit from the world-class science that is undertaken at the Institute for Animal Health.

SOLICITOR-GENERAL

The Solicitor-General was asked—

Torture (Legal Proceedings)

1. **Mr. David Heath** (Somerton and Frome) (LD): What factors the Attorney-General takes into account in determining where the public interest lies in the context of legal proceedings relating to allegations of torture in interrogation. [258803]

The Solicitor-General (Vera Baird): Any decision on whether to bring criminal proceedings for an offence depends first on the sufficiency of evidence and then on whether prosecution is needed in the public interest. The normal principle is that a prosecution will usually take place unless there are public interest factors tending against prosecution that clearly outweigh those in favour.

Mr. Heath: In the current circumstances of the Attorney-General's investigation, it is odd that she is deciding not whether there should be prosecution but whether there should be investigation. In those circumstances, does the Solicitor-General agree that the evidential hurdle should be very low, that if there is credible evidence of torture it should be investigated by the police and that the public interest must always lie in favour of prosecution and factors such as embarrassment to the Government or the interests of foreign powers should never be taken into account?

The Solicitor-General: I am sure the hon. Gentleman is right that there is no suggestion that that will happen. He did not start where the question suggested I thought he would, which was at the wrong end of it. Indeed, the court approved the Home Secretary sending to the Attorney-General the job of deciding whether there should be an investigation, and that is ongoing. If in due course there is one and there are offences to be considered, almost certainly—unless it is a decision that the House has said the Attorney-General must take—any decision to prosecute will be taken by the independent Director of Public Prosecutions in any event. I hope the hon. Gentleman feels that answer is clear and that it satisfies him.

Mr. Andrew Dismore (Hendon) (Lab): As my hon. and learned Friend knows, the Joint Committee on Human Rights is looking into these allegations. We are particularly concerned about section 7 of the Intelligence Services Act 1994, which provides for the Secretary of State to waive the liability of intelligence service personnel for legal acts committed abroad in certain circumstances—the so-called James Bond clause. Will my hon. and learned Friend confirm that it would not be in the public interest for any such certification to be provided in any case involving torture, and will she confirm that in the cases being looked at by the Attorney-General no such certificate has been issued?

The Solicitor-General: I can neither confirm nor deny any such thing. It is not our intention to give a running commentary about the details of the ongoing deliberation process. The Attorney-General has written to the hon. Gentleman, as he knows, and a copy of the letter is in the Library. It indicates the stage that we are at—whether there should be an investigation is ongoing—and the Attorney-General will report to Parliament when she has made a decision.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Does the Solicitor-General agree that the public interest really lies in identifying whether or not torture was used and whether British officials were party to it? The public interest does not necessarily require identifying what information was extracted.

The Solicitor-General: Once again, I have no doubt that the right hon. and learned Gentleman is right in the factors he puts forward that must play a role in considering the public interest. Let me simply reiterate what the Attorney-General has been asked to do, and the court wishes her to do: it is to see whether there should be an investigation, so please let us not put the cart before the horse. There will obviously be opportunities to look further at the matter. The Attorney-General has made it very clear that she will report to Parliament when she has completed her assessment.

David Howarth (Cambridge) (LD): But does the Solicitor-General think that the Attorney-General should have accepted this task in the first place, given the fact that Crown servants, senior officials and even Ministers might be involved? Is this not a situation where the investigation, and indeed the decision to prosecute, must be entirely independent of politicians?

The Solicitor-General: They obviously will be. I do not know how many times one has to explain that to the Liberal Democrats. The decision whether to prosecute will not be taken by the Attorney-General or by me unless it is one of the offences on which Parliament has said the decision must be taken by the Attorney-General or the Solicitor-General so they cannot avoid it. In all other situations, the decisions will be taken by the independent Crown Prosecution Service and the investigation that precedes any such decision taken obviously by the police.

Mr. Jonathan Djanogly (Huntingdon) (Con): Does the Solicitor-General accept that most people see this as a cover-up of state-sponsored torture by a Government who supposedly introduced the Human Rights Act?

The Solicitor-General: The hon. Gentleman lashes out like a man trying to get a fly out of his beard—*[Interruption.]* I am sure he is old enough to grow one. As I am sure he appreciates, the Foreign Secretary has made it very clear that the documents that are the cause of concern, which the court worried about and consequently passed on to the Attorney-General, were disclosed to Mr. Mohamed's lawyers only because the British Government negotiated the United States into that position. It is not the British Government who have any reservation about their disclosure. The hon. Gentleman tries really hard to be wide of the mark and he scored a very wide one today.

Careless Driving (Prosecutions)

2. **Mr. Peter Bone** (Wellingborough) (Con): How many prosecutions for the offence of causing death by careless or inconsiderate driving have been brought; how many convictions have been obtained; and what the average length of custodial sentences handed down has been to date. [258804]

The Solicitor-General: Causing death by careless or inconsiderate driving under section 20 of the Road Safety Act 2006 came into force on 18 August 2008. Court proceedings data, including prosecutions and so on for 2008, will not be available until autumn 2009.

Mr. Bone: I am grateful to the Solicitor-General for the answer. The lorry driver who killed six people on the M6 was convicted of causing death by careless driving and is serving three years. Of course, if that offence had not been introduced, he would have only received penalty points on his licence and a fine. The judge in the case said:

"This was one of the most serious offences of its kind."

Is the Solicitor-General therefore surprised that the sentence was three years—nowhere near the maximum of five years?

The Solicitor-General: The hon. Gentleman is exactly right in his analysis of what would have happened if we had not introduced this offence: it would have been possible only to charge the driver with careless driving, which is summary only and only involves a fine. So by introducing the offence, we have allowed for the right level of culpability to be applied to people who do such things, with appropriate penalties. The case is not one that the Attorney-General can refer as an unduly lenient sentence case, although causing death by dangerous driving, which the jury did not find, would have been such a case. I cannot comment on individual cases, but the hon. Gentleman may get some sense of what we think about it by my making that observation.

Sir Patrick Cormack (South Staffordshire) (Con): While not in any way disagreeing with what my hon. Friend the Member for Wellingborough (Mr. Bone) has said about the case and accepting that the Solicitor-General does not want to expand on it, does she accept that many people who cause death by careless or inconsiderate driving are not of the criminal fraternity and that, although they should be certainly very severely punished, a community sentence, rather than a custodial one, is very often a better way to punish them?

The Solicitor-General: We leave sentencing to the judges, within the parameters that are set down by Parliament. It is a very serious matter to drive a vehicle carelessly. For instance, in a number of cases recently, people have been texting while driving cars. Such rashness, carelessness and dangerousness does require condign punishment and ought to be met with imprisonment in my view, although I am not a sentencer.

Criminal Justice System (Vulnerable Women)

4. **Kerry McCarthy** (Bristol, East) (Lab): What steps she is taking with ministerial colleagues to assist vulnerable women in the criminal justice system. [258806]

The Solicitor-General: In common with other witnesses who are vulnerable or, indeed, intimidated, women in that category are entitled to special measures to help them to give evidence, such as giving it from behind a screen or by video link. In rape and domestic violence cases, which have high women victimisation rates, they can now have the help of an independent domestic violence adviser or independent sexual violence adviser, who will befriend and help the victim through the proceedings.

Kerry McCarthy: I thank the Solicitor-General for that response. I am sure that she will be aware of the recent case where a judge called a halt to a case of

robbery on the grounds that the victim was too convincing in her identification evidence. My concern is that, in cases, particularly rape cases, that hinge on the victim's words, that may discourage women from coming forward, because they are damned if they are not convincing enough and they are damned if they are too convincing. What reassurances can my hon. and learned Friend give me that women will not be discouraged by the precedent that has been set?

The Solicitor-General: As my hon. Friend said, it was not a rape case at all; it was a case, I think, about dishonest offence and identification. I am not very close to the case, but it appears as though the identification involved only a fleeting glimpse, which is a very dangerous thing to allow to go before a jury. If a person believes that they have recognised someone, they are very convinced of it and they sound strong, but the experience of the courts is that a fleeting glimpse can often mislead. I think that the case was withdrawn from the jury in that context, but I could not agree more with my hon. Friend that the turn of phrase used by the judge was most unfortunate and should not be taken seriously by any woman who is thinking of coming to court. The stronger she is in her evidence, by and large, the better, and we want to fortify all witnesses and victims to be able to feel that they can come to court and make complaints when justice requires it.

Martin Linton (Battersea) (Lab): In view of recent cases referred to the Court of Appeal for leniency, will my hon. and learned Friend consider reviewing the sentencing guidelines for rape?

The Solicitor-General: The sentencing guidelines are kept under review primarily by the Sentencing Advisory Panel, which has strong links with public consultation, and then by the Sentencing Guidelines Council; between their reviews, the Court of Appeal keeps its eyes on such sentences. There have been a number of referrals because of undue leniency. When it has seen fit, the Court of Appeal has put those cases right and thereby sent out strong messages to future sentencing judges, with which for the time being we are very content.

Disabled People (Court Proceedings)

5. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What recent discussions she has had with the Secretary of State for Justice on steps to assist disabled people taking part in court proceedings. [258807]

The Solicitor-General: I have not had any recent discussion on that specific topic with the Secretary of State for Justice himself, but through the Crown Prosecution Service we have been working closely with our other criminal justice partners to improve support for disabled victims and witnesses. The CPS is carrying out a consultation on a new policy for prosecuting cases involving witnesses or victims who have learning disabilities or mental health issues.

David Taylor: People with mental ill health are probably the single largest disabled group in the context of this question. Will the Solicitor-General have discussions with the Secretary of State for Justice, particularly in relation to the answer that I was given when I raised my concerns about those involved with mental health tribunals? I feel that they are not getting a fair crack of the whip. If the Solicitor-General reviewed the scale of the problem and suggested proposals through which we could tackle those difficulties, I would be most grateful.

The Solicitor-General: My hon. Friend makes a strong point. He is a well-known supporter of disabled rights, and I compliment him on the perseverance with which he pursues those interests. I can answer only for the prosecution authorities; the mental health tribunals do not fit into my responsibility. I suggest that my hon. Friend raises the issue with the Secretary of State for Justice, from whom I am sure he will get a sympathetic response.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Is the Solicitor-General aware that part of the concern is that prosecutors are too often unwilling to regard people with mental health problems as potentially credible witnesses? Does she have any ideas about how that attitude can be changed?

The Solicitor-General: The right hon. Gentleman has put his finger on what has been a historic problem; it surfaced recently in a case, for which the CPS apologised straight away. The CPS has invited Mari Taber, a director of Mind, to carry out an internal review of that case with a view to learning lessons more broadly. The consultation to which I have already referred is about putting forward a strong policy about how decisions concerning those with learning difficulties or mental health problems should be made in a sensible way so that those people are empowered, not disempowered.

Fraud Act

6. **Mr. Andrew Mackay** (Bracknell) (Con): How many prosecutions have been brought under the Fraud Act 2006. [258808]

The Solicitor-General: I answer only for the prosecutors whom the Law Officers superintend—not for the Department for Work and Pensions or the Department for Business, Enterprise and Regulatory Reform, for instance.

The number of offences under the 2006 Act are as follows: there were 9,221 in 2007 and 22,687 in 2008. This year, until 20 February, there have been 4,148. Small and very large frauds are included; it is difficult to make much of the figures.

Mr. Mackay: We supported the 2006 Act because the Government suggested that the consolidation of fraud legislation would dramatically increase prosecutions for fraud. Is the Solicitor-General satisfied that that is happening and that the Act is being used properly, correctly and to successful effect by our prosecutors?

The Solicitor-General: On the face of those figures, it appears that the Act is being used substantially—there was a great increase between 2007, when it was very new, and 2008, by which time everybody had had full training about it and appreciated its simplicity and utility. On the face of it, it looks as if the Act is being used extensively. As I said, it is hard to make very much of such bald figures.

Banking (Asset Protection Scheme)

11.34 am

The Chancellor of the Exchequer (Mr. Alistair Darling): With your permission, Mr. Speaker, I shall make a statement on the bank asset protection scheme and today's agreement with the RBS Group. I hope that the House will understand, again, that it was necessary for the Treasury and RBS to issue market notices this morning, in the usual way.

In my statement to the House last month, I set out the principles behind the Government's proposals to put the banks on a stronger footing, insure their balance sheets, and boost bank lending. I can now tell the House that those measures are being implemented: at the end of January, the Bank of England's temporary special liquidity scheme was replaced with a permanent facility; last week, the Bank of England began purchasing assets to free up markets for commercial lending; and on Monday, Northern Rock announced that it would provide up to £14 billion of new mortgage lending.

Banks are at the core of all modern economies—they allow people and companies to make payments, and to save and invest for the future. Indeed, if we and other countries do not fix the banking system, we will not fix the rest of the economy. The basic problem that we are facing is a crisis of confidence about bank assets, which is preventing the UK banking system from providing loans for businesses, and mortgages for those who want to buy a home. The critical barrier to improving confidence and expanding lending is the uncertainty about the value of banks' balance sheets. We must now enable banks to clean up their balance sheets so that they can become stronger and rebuild for the future, making them more able to lend to people and business all over the country. That will not happen overnight, but it is the essential starting point; it must go hand in hand with a broader reform of supervision and regulation of the banking sector; and that action must be taken not only here but by Governments right across the world, because the alternative is a failure of the banking system, here and elsewhere, which will make the recession longer and more painful, putting more jobs at risk.

The challenge today is to provide certainty against a background of a sharply deteriorating global economy. The IMF, which in October was forecasting world growth this year of 3 per cent., is now forecasting growth this year of close to zero. In the last quarter of last year, the world economy shrank for the first time since 1945, with Japan, America, Germany and Europe, as well as the UK, all now in recession. All that followed from the sudden collapse in confidence when Lehman Brothers—the world's fourth biggest investment bank—went bankrupt in the autumn. That has meant even weaker banks, which are lending less, and in turn leading to further economic weakness. So getting the banks to lend again is essential to our economic recovery and to our fight against the global economic—financial—recession.

In October, we injected additional capital into the banking system to prevent the collapse of banks and to maintain their ability to lend to companies and home buyers. We had to act quickly—in a matter of hours, not months. We made available then up to £50 billion initially, of which £37 billion was taken up. I have always said that we stand ready to do whatever it takes to maintain financial stability. So, as well as additional contingent capital, today I am making a further allocation of £13 billion for RBS in return for non-voting shares. These shares will be purchased at a similar price to those purchased in October, and they in turn will pay a preference coupon.

The Government are currently set to own up to 70 per cent. of RBS, for which the taxpayer will benefit when the bank recovers and strengthens in value. We believe it is important that there remains some private ownership in RBS—by pension funds and individual investors, for example. We have therefore decided that in injecting this capital, we will do so by purchasing non-voting shares, in line with practice in other countries. That means that the Government could now own up to 84 per cent. of RBS in economic terms, but the institution will remain as a privately quoted company. That will provide potential gains in the long term for the taxpayer and an easier return to full commercial ownership when the shares are sold and the proceeds come back to the taxpayer.

In January, we announced the creation of a scheme to identify losses and clean up the banks' balance sheets, giving them the confidence to lend again. A range of different mechanisms have been suggested to do that, but in the end they all require the same basic approach: first, a thorough analysis of the banks' balance sheets to establish what their assets and loans are worth and whether they are likely to be fully repaid; and secondly, a comprehensive stress test of whether the banks are strong enough to survive bad economic scenarios and establish what further losses the banks can bear, to satisfy us that the banks have enough capital to get through the recession and to keep lending going. Thirdly, it enables the Government to judge the necessary scale of their intervention, either by buying up the assets or insuring them, in return for a fee or a share of future gains.

That is the approach that we will follow in the asset protection scheme that I announced in January. In arriving at the design of the scheme, we have taken account of the experience of other countries which in recent months have announced similar action: including the Swiss, with UBS; the Dutch, with ING; and the United States, with Citigroup and Bank of America. The scheme is open to all eligible banks and building societies, and I expect a number of them to apply to use it according to this approach. Lloyds Banking Group has today confirmed that it is in discussions with the Treasury regarding participation in the scheme.

In relation to RBS, which has announced its results today, let me set out how the asset protection scheme will be applied. When the Government purchased their stake in December, a new management team was put in place, and it has been going through the books, identifying potential losses. As the House will understand, that cannot be done quickly, because the assets are both complex and numerous. As we have seen only recently in the case of the United States, the valuation of these balance sheets takes considerable time, and all the more so if it is done against a background of sharply deteriorating global conditions.

Today, the chief executive of RBS announced a plan to restructure and rebuild the bank, including an agreement to extend its lending in the UK. To complement that, RBS will include £325 billion-worth of assets in the

[Mr. Alistair Darling]

asset protection scheme. That will include a range of assets in the UK and abroad, most of them including mortgages and business loans that are currently hard to value. The Treasury, with the help of external advisers, has assessed the assets held by RBS and subjected its balance sheet to a series of different stress tests overseen by the Financial Services Authority and the Bank of England—a practice that the United States Government yesterday announced they will apply to institutions seeking support.

To protect the taxpayer, RBS will have to bear the first portion of any additional losses over the coming years, up to a total loss of 6 per cent., or some £20 billion, on top of the £22 billion of impairment and write-downs that it has already taken. As in any insurance scheme, RBS will have to bear the first losses. After that, the Government will cover up to 90 per cent. of any further losses. RBS will also pay a fee of 2 per cent. of the value of the assets insured—some £6.5 billion—again, as in any insurance scheme. It has also agreed for a number of years not to claim certain UK tax losses and allowances, meaning that when it does return to profitability it will not be able to benefit from the losses accrued in the intervening period.

In return for this, RBS has agreed to maintain and increase its lending for mortgages and businesses in 2009 by an additional £25 billion, with a further £25 billion in 2010 depending on market conditions. That is at the heart of the deal that we are striking with RBS. That new lending will be on top of maintaining lending on mortgages and other loans of just under £300 billion in the UK. These lending commitments with be legally enforceable and externally audited, and the Treasury will report annually on RBS's delivery of its lending agreement. RBS has agreed to continue treating its customers fairly, including by participating in the Government's home owner mortgage support scheme. That will go hand in hand with the tough conditions on RBS bonuses that we announced last week.

Together, these measures will help restructure and rebuild RBS, making one of the UK's biggest banks also a stronger bank, better able to serve the people and businesses of this country, returning to tried and tested principles of banking. Other participating banks that join the scheme will have to agree to make more lending available, and banks will also have to review their policies on pay and bonuses to come up with long-term strategies that prevent excessive risk taking and reward successes, in line with the FSA's new code of remuneration practice.

As with previous measures, the capital support for the banks is an investment that will eventually be sold to the benefit of taxpayers. With the insurance scheme, the eventual cost to the taxpayer over the lifetime of the scheme will depend on economic conditions and how the assets are managed. That means taking that risk on to the taxpayer for a fee, but in a way that ensures that the banks remain able to lend. That strategy for tackling the bad assets has worked elsewhere in the past. So while the taxpayer does face risks as a result, the cost of doing nothing is far greater. In the long term, the taxpayer will benefit from returning our stake in these banks to full commercial operation because, as I have said before, I am clear that British banks are best owned and managed commercially, and not by the Government.

The future of the UK as a financial centre, and the future of our economy and thousands of jobs, depend on being able to run banks commercially. All countries are having to deal with the same problem: how to isolate assets that are damaging confidence in the banking sector and preventing banks from lending more. Over the coming weeks, we will continue to discuss with other countries, including the new US Administration and with the European Union, how best to co-ordinate our approach to the common challenges we face. As part of our presidency of the G20, I have written to Finance Ministers setting out a set of principles for dealing with asset protection and insurance.

It is essential to restore confidence in the banks to allow them to clean up and rebuild, and get lending going again. The economic recovery, and thousands of jobs, depend on it, and I commend this statement to the House.

Mr. George Osborne (Tatton) (Con): I thank the Chancellor for his statement, but to be blunt, we have heard all these claims before. Back in October, just like today, he told us that a huge taxpayer bail-out of the banks would "get lending started again". He stood there waving a piece of paper, just as he has again today, and claimed that he had binding legal agreements with RBS, yet of course business lending has fallen by £5 billion since October and, as the inflation report shows, continues to fall.

Back in October, just like today, the Chancellor said that his first bail-out was a good deal for the taxpayer. Indeed, the Prime Minister claimed that we would soon be making money on the shares that we had bought. But now we all know that the taxpayer has lost £16 billion to date on the deal that was done in October. Back in October, just like today, the Chancellor said that a key condition of the bail-out would be an end to excessive bonuses and rewards for failure, yet today we discover that the chief executive who helped to bring RBS to its knees is getting a £650,000 a year pension for life, negotiated with the Government. While a second bail-out seems inevitable, we will therefore treat the Chancellor's claims about his latest plans with a healthy degree of scepticism.

Let me ask the Chancellor these specific questions. First, on lending, he says that RBS has committed to lend £25 billion a year. Will he confirm that that represents just 3.4 per cent. of total RBS lending to non-bank customers? He said once again, as he often has, that he has a legally binding agreement, but the new chief executive of RBS said on the radio this morning that that agreement is subject to its continuing to price on arm's length terms. Given that that price is currently prohibitive to many businesses large and small, why does he expect this legally binding agreement to be any more binding than the last one? Indeed, he says that the lending agreement is legally enforceable. How exactly is he going to enforce it? Will he give RBS the money to pay the fine when he enforces the agreement?

My second set of questions ask the Chancellor to be absolutely straight with people about how much the taxpayer could lose. Of course, this is a sweet deal for the banks, their management, the remaining shareholders and above all their creditors. The first loss to be borne by the bank is just 6 per cent. That is much lower than the 10 per cent. that the Treasury was initially briefing and the 10 per cent. that the Dutch authorities have

imposed on ING. The fee is just 2 per cent.—half the level that the Treasury set out to try to negotiate—and it is being paid only in non-voting shares. Will the Chancellor confirm that that is because otherwise, according to stock exchange rules, RBS would stop being listed altogether? What is more, we are giving the bank billions of pounds to pay the fee to ourselves. That is like saying, "Lend me a tenner and I'll buy you a pint."

Will the Chancellor now say exactly what the potential exposure of the taxpayer is under this deal? He did not answer that question on the radio, so will he answer it today? Will he now impose the full independent, asset by asset audit of the British banks that the Governor of the Bank of England has just called for in the Treasury Committee and that I called for at the Dispatch Box last month?

Finally, on excessive bonuses and rewards for failure, once again the Chancellor has promised there will be none. Yet this morning he said in his radio interview that he learned only a very short time ago that Sir Fred Goodwin was paid off with a £650,000 a year pension funded by the taxpayer. However, the new chief executive, who was on the same radio programme, said that the deal was negotiated with the Government. Who exactly in the Government knew about that deal? Will the Chancellor answer the claims that Fred Goodwin's departure was delayed so that he could secure that pension? Whichever way one looks at it, that obscene pension is unacceptable and the Government are on the hook. Either they did know and failed to act or they did not know and failed to ask the right questions. It is a totally irresponsible use of taxpayers' money. There is, of course, now only one person who can correct that huge error of judgment by the Chancellor, and that is Fred Goodwin himself, who should in all decency renounce his pension.

The Government have no option but to undertake a second enormous taxpayer bail-out of the banks, because the first enormous taxpayer bail-out has failed. Let us hear no more nonsense about what a good deal has been struck. The British taxpayer is insuring the car after it has crashed. The sad truth is that families throughout the country pay the price, while those responsible try to walk away from the wreck—so far, unscathed.

The Prime Minister who presided over the fiasco is off trotting on the world stage while the man he knighted, Fred Goodwin, is walking off with a £650,000 a year pension. That is why the Government have lost the confidence of the British people in their ability to deal with the recession that they helped create and the banking crisis that they failed to prevent. *[Interruption.]*

Mr. Speaker: Order.

Mr. Osborne: The Chief Secretary should just concentrate on her leadership campaign and stop barracking the Opposition.

The Government have announced so many different schemes, executed so many about-turns, made so many false claims and broken so many promises that no one believes a word they say any more. They are running around like headless chickens, trying to save their own necks. Once again, the British taxpayer will pay a huge bill for the mistakes of Labour's age of irresponsibility.

Mr. Darling: First, once again, it is clear that, although the hon. Gentleman could not quite bring himself to say it, he agrees with what we are doing. Although he now tries to criticise what we did last October, at the time he expressed full agreement with it, because he recognised that our banks, along with those in other parts of the world, faced collapse, and that we had to step in to recapitalise them. We had to do it quickly—in a very short time. We did not have the luxury of months to go through the books and make decisions about what might happen further down the track; we had to take action quickly. At that time, the Opposition supported our actions, although they subsequently found it convenient to change their mind and walk away from that support.

On the agreement that we reached in October, we said that the banks in which we took major shareholdings—RBS and Lloyds TSB—would undertake to maintain the same level of lending as in the previous year. They have been able to do that, but against a background of a marked reduction of lending in this country, especially from foreign banks, which have either withdrawn to their own countries, or in the case of the Icelandic banks, for example, have got into such great difficulties that they cannot lend. In the last quarter of last year, there has also been a sharply deteriorating position in the economy.

We want—it is important—to get lending going again because, as I said earlier, if we do not fix the banking system, it will be difficult to fix the wider economy. It is a problem that we face, the Americans face, the Germans face, the Japanese face—it is a problem right across the world. That is why I said in January that we would have to do something about the problem of assets on bank balance sheets that people either could not value or had deteriorated in value because of what is happening in the economy. As a result of what we have been able to do, RBS will increase its lending by £25 billion this year and next year, on top of the £300 billion that it currently lends in this country.

I believe that the insurance rates are appropriate. It is also right to put in the additional capital to help the bank get through the recession. Nobody wants to be in that position—no Government wants to be in that position—but, throughout the world, we must all face up to the fact that banks need additional capital and that we need to ensure that they have a proper insurance scheme to enable them to continue lending.

The hon. Gentleman asked about audit. I said in my statement that there needs to be a thorough audit of banks that come into the scheme. I am aware of what the Governor of the Bank of England said this morning—I have heard him say it on previous occasions. I agree that, especially when insurance is involved, there needs to be a rigorous audit, not only so that banks understand the position, but so that we do, too.

The hon. Gentleman mentioned the remuneration of Fred Goodwin. It is beyond doubt that most people find it hard to understand, given what has happened to RBS, that such an enormous pension can be paid from the age of 50. Let me explain the position. First, the agreement was not negotiated by the Government; nor was it approved by the Government. Nor would it have been—*[Interruption.]*

Mr. Speaker: Order. Let the Chancellor of the Exchequer answer.

Mr. Darling: The agreement on remuneration—the pension arrangements—of employees of a bank is a matter between the employee and the board of directors. Last autumn, we were told that there was a contractual agreement between the bank's board and Sir Fred. We previously understood that his pension arrangements were an unavoidable commitment, but we did not know—we became aware of it only very recently—that the decision of the previous board of RBS to allow Sir Fred to take early retirement had the effect of increasing his pension entitlement, and that that might have been a discretionary choice. We did not know that and, on finding out—[HON. MEMBERS: "When?"] Last week, actually. It became clear that the matter may have been a discretionary choice. When we found out, I asked United Kingdom Financial Investments, which holds the shares, to discuss with the new board of the bank whether there was any scope for clawing back some or all the pension entitlement, and whether the board made the decision in full knowledge of the facts. That investigation is going on at the moment. As I said, and I agree with the hon. Gentleman, the matter could be concluded swiftly, because Sir Fred Goodwin could decide not to take the pension—that has been put to him—but the ball remains in his court.

I believe that the measures that we have taken on RBS and the asset protection scheme are necessary and unavoidable. It is an essential part of what we must do and what other countries must do if we are not only to fix the banking system but, more importantly, to ensure that we can rebuild our economy and help people and businesses in this country.

Dr. Vincent Cable (Twickenham) (LD): In October, we broadly supported the Government because we thought that that was the right patriotic response in an emergency and because their proposals for bank recapitalisation were sensible. However, I am afraid that they have now almost completely lost the plot. The proposal for asset protection is a disgrace and a betrayal of the taxpayer's interests. It is a classic case of privatising profits and socialising loss.

We know from American experience that valuing bad assets is hideously difficult. We also know that the banks know more about their bad assets than the Government, so there is now an open invitation to the banks to dump their worst assets on the Treasury, for a fixed fee, knowing that the taxpayer will pick up 90 per cent. of the losses. That is a fraud at the taxpayer's expense.

There is a much better approach—the way in which the Government started dealing with the problem. It is to acquire shares in the banks—ordinary shares with full voting rights. That guarantees that any upside in recovery—if there is one—and any eventual sale fully accrues to the taxpayer. It also gives the Government full effective control over banks' lending strategy and remuneration, instead of the current feeble agreements, which the banks have treated with contempt.

We know what the Government are afraid of: being accused of nationalisation. Let me quote what the Government's old friend—the Prime Minister's hero—Mr. Alan Greenspan said about that only last week. That American Republican free-market ideologue stated:

"It may be necessary to temporarily nationalise some banks in order to facilitate a swift and orderly restructuring"

to

"allow the Government to transfer toxic assets to a bad bank without the problem of how to price them"—

the problem we have today.

"You",

he said to the Government,

"should not get caught up on a word"—

that is, nationalisation. He continued:

"It doesn't matter what you call it, but we can't keep on funding these zombie banks without gaining public control."

The problem is that we have not only zombie banks, but a zombie Government: the walking dead, controlled by people who have a strong vested interest in protecting their bonus arrangements and covering up large-scale tax avoidance scams.

The Government claim credit for being tough and stamping on the generous bonus arrangements of RBS and NatWest. I totally agree with the Conservative shadow spokesman about Sir Fred Goodwin.

He was absolutely right. He could also have asked—I will ask—how much in addition the Government have given in tax relief to Sir Fred Goodwin and people in his position.

However, there is a wider point about bonuses: they are public expenditure. These bonuses are a massive spending increase on public wages for which there is no justification whatever. What response will the Chancellor give this morning to Barclays, which has said that it will not deal with the Government unless all its bonus arrangements are fully protected? That is blackmail and he should make it absolutely clear that he will stand up to it.

I have one final question about what the Prime Minister said in the paper on Sunday about the proposal, which a growing number of people on all sides accept, that in the long term the low-risk high street lending activities of the banks have to be separated from the high-risk casino-type activities with which they have been associated. The Prime Minister seems to have capitulated to pressure to abandon that proposal altogether. I can understand why the banks want to hang on to the operations that generate their bonuses, but why on earth should the Government be giving a long-term guarantee for gambling activities on a global scale? It is incomprehensible and completely without justification.

I feel rather sad about this response, because I normally try to be constructive, but the Government's proposal is absolutely dire.

Mr. Darling: On the last point that the hon. Gentleman made, there has been a lot of debate about whether banks should be separated, so that they organise themselves along the lines of what that they had in America for many years, with what he calls low-risk retail banks and, on the other hand, investment banks. I would just remind him that the first bank that got into trouble in this country was not an investment bank but Northern Rock, which is a retail bank. The problems have been experienced both by banks with complex models, and by investment banks pure and simple—indeed, many have now collapsed—and retail banks. The regulatory system should distinguish between the two. Perhaps on another occasion there will be an opportunity to discuss what we need to do on supervision and regulation.

In relation to the hon. Gentleman's broader point, about nationalisation—the one on which he takes fundamental issue with the Government—I just disagree with him. We have, as it happens, nationalised a bank already: Northern Rock. However, I have always made it clear that our long-term objective is to get that bank and the banks in which we have shareholdings operating back into the private sector. That is something with which the Liberal party and he agree. I therefore do not believe that it is in our interests to completely squeeze out the remaining part of the private shareholdings in RBS, which is what nationalisation would entail. Also, as we have 70 per cent. of the votes there, it is beyond doubt that we control the bank. It is not as though it could block a decision that we really insisted upon.

It is important to strike the right balance. Even in these times, we need to look at the long-term destination of those banks. It is right that we should strike that balance, as I said earlier this morning. I just think that the hon. Gentleman is plain wrong in what he said about that.

Mr. Dennis Skinner (Bolsover) (Lab): Is the Chancellor aware that we all recognise that the reason why today's measure has been announced, as well as the previous one, is to ensure the bank deposits of the vast majority of people in Britain? However, it is becoming increasingly apparent with every statement that those in the banking fraternity have, by and large, been on a winner for a long time. They are no different, really, from Nick Leeson, and that fellow Madoff in America who made off with the money. I have a novel suggestion for the enemy within. Instead of paying out vast executive bonuses and Freddie Goodwin's massive £650,000 pension, why not tell them that those of us on the Labour Benches will gladly walk through the Lobby to ensure that all those executive bonuses and that pension fund for Freddie Goodwin and his mate will be paid for out of the toxic debt when it has been repaid, which will be never? That is the proposal that we ought to put to those bankers and we should treat them with the contempt that they deserve.

Mr. Darling: I agree with my hon. Friend that it is essential that we change the culture that has been prevalent in so many financial institutions and that bonuses be tied to the long-term performance of a company and paid for some special effort or as part of a reward for working hard to ensure the long-term health of the bank. I also agree with him that the reason for the action that we have taken is to protect depositors and ensure that we do everything that we can do to get lending going again in this country.

Mr. Michael Fallon (Sevenoaks) (Con): Will the Chancellor confirm that the full details of Sir Fred Goodwin's pension were set out in RBS's 2007 annual report? If he is really telling the House that he spent £20 billion of our money four months ago and has only just checked out the details of the chief executive's entitlements, he is even more hopeless and hapless than we thought he was.

Mr. Darling: As the hon. Gentleman knows, that is not what I said.

Liz Blackman (Erewash) (Lab): Bank lending in Erewash is, as it is everywhere else, pretty variable and constrained by the current climate of uncertainty. The freeing up to lend initiative that was announced this morning has the prospect of helping some of the businesses and the families in my constituency, but can my right hon. Friend give some more detail about how it will be monitored locally, so that RBS does what we are asking it to do?

Mr. Darling: As I have said, we will be publishing an annual report. Into how much detail and how local it can go remains to be seen but, in addition, it is important that we regularly monitor lending to ensure that it starts flowing through to individuals and businesses.

Mr. Graham Brady (Altrincham and Sale, West) (Con): Can the Chancellor tell the House what assumptions about the state of the economy and the performance of the assets at RBS were used in arriving at the level of the fee, or did he just pluck it out of the air?

Mr. Darling: No, the fee was calculated taking into account RBS's position and the assets that were put forward. We will approach the other banks in exactly the same way.

Mr. James Plaskitt (Warwick and Leamington) (Lab): I welcome my right hon. Friend's statement. It is clear that large public holdings in the banks are beginning to drive major and essential structural change. However, as banking is a global business, does he agree that the restructuring that is starting to take place and the redrafting of the regulatory system need to be globally co-ordinated and if so, how will we help to achieve that?

Mr. Darling: I agree with my hon. Friend on that. We need to do what is necessary in both restructuring and financing, but we also need to ensure that the regulatory and supervisory framework is effective. However, that only gets us so far, because most banks trade across borders throughout world. It is also necessary to ensure the same approach in different countries, which is why I said in my statement that we need to work with the Americans and in Europe. That will be very much part of the focus of the meeting of the G20 Finance Ministers in a couple of weeks here in London.

Mr. Desmond Swayne (New Forest, West) (Con): If the amount that the Chancellor has said that RBS must lose before his guarantee kicks in is correct, then, if I were still doing the job that I was doing 12 years ago in group risk management in RBS—[Hon. Members: "Ah!"] It would not have happened on my watch. On the basis of traditional banking practices, I would be urging the bank to build up reserves rather than engage in additional lending. Why would I be wrong?

Mr. Darling: First, I will happily pass on the hon. Gentleman's name to the new chief executive of the bank and see whether he can re-employ him. Secondly, and rather more seriously—*[Interruption.]* I am glad that the right hon. Member for West Derbyshire (Mr. McLoughlin) is thinking of the health of RBS. In relation to the hon. Gentleman's general point, the Government have to intervene and make it possible for there to be more lending precisely because, if left to

[Mr. Darling]

their own devices, banks stop lending to individuals and businesses, and that would simply make the present difficult situation far more difficult. That is why my argument is that doing nothing not only does not work, but is damaging to our future prospects.

Lynne Jones (Birmingham, Selly Oak) (Lab): I share concerns about socialising losses and privatising gains, but whatever means are used to back the banks and private financial institutions with public money, I think everybody is agreed that it is necessary. Given that situation, my question is: why are the Government still relying on commercial loans to secure investment in public-sector infrastructure projects and public services such as the Royal Mail? Should we not cut out the middle man?

Mr. Darling: On PFI projects, I hope that we will shortly be able to publish proposals that will take account of the difficulties about funding that my hon. Friend referred to. On her more general point, I believe that a combination of the public and private sectors working together, whether it be for the provision of finance or elsewhere, is a good thing. That applies to the Royal Mail, too, as it needs more money to help it modernise and improve. That is why I think that bringing in private capital to work alongside the public sector is a good thing.

Mr. Andrew Robathan (Blaby) (Con): I guess that the banking crisis and the recession are the most important issues facing the country and Parliament today. I do not know whether the Chancellor noticed while he was making his statement that there were only about a dozen Government Back Benchers behind him and three times that number on these Opposition Benches for a party half the size. To what does he ascribe that? Does he think that it is because Government supporters are not interested or are idle, or does he think that Government Back Benchers have, like the rest of the country, lost confidence in him and his Government?

Mr. Darling: The hon. Gentleman is right to say that the banking problem is the most important that we face at the moment, so I am surprised that he did not want to ask a question about it.

Ms Sally Keeble (Northampton, North) (Lab): I welcome my right hon. Friend's statement. In addition to the commercial and residential property loans that are among the eligible assets for the scheme, the Treasury statement of this morning also mentioned structured credit assets, which are the ones that have proved very difficult for the banks. Who exactly in the Treasury or among the Chancellor's advisers will be doing the due diligence on this and roughly what proportion of those assets does he expect to make up the scheme?

Mr. Darling: The diligence examination of the assets was carried out by the same people in respect of all the assets. It was not done by the Treasury alone, as we brought in outside advisers so that we could be satisfied as to what was being offered for insurance and then take a view on what price would be appropriate.

Stewart Hosie (Dundee, East) (SNP): I agree with the Chancellor that fear of the toxic assets was the main inhibitor to securing confidence in lending and I give a cautious welcome to the asset protection scheme. As to RBS, however, it will fund its insurance by taking the first losses, 10 per cent. of subsequent losses, a 2 per cent. fee and, most significantly, deferred tax assets. If any other eligible banks wish to take part in this, will they be subject to the same payment terms, the same deferred tax assets and the same attachment point, and will it be done on a bank-by-bank basis?

Mr. Darling: The answer is that we will look at each bank on its merits. We do so because what is offered for insurance will vary from bank to bank and we will have to make an assessment of the position of the individual bank. In the meantime, I welcome the hon. Gentleman's general support for our proposals and his agreement that this is the right thing to do.

Andrew Mackinlay (Thurrock) (Lab): Does the Chancellor understand that many ordinary people are bewildered and dismayed that, across the Atlantic, there are obligations to fiduciary duties, compliance and due diligence, which are backed up by the sanction of the criminal law, yet there is an absence here of such obligations. Unless or until financial institutions, managers and directors know that they could face the law, we will continue to see this recklessness and selfishness enduring. Will my right hon. Friend tell the House that Lloyds TSB and the RBS group are fully co-operating with the United States Justice Department in respect of the documents that were doctored in London in order to get round US sanctions on money for Iran, as the conduits were the RBS group, Amro and Lloyds TSB?

Mr. Darling: I hope that any institution in this country would co-operate with the relevant authorities, whether it be in the United States or anywhere else. On my hon. Friend's more general point, it is important that people obey the law, irrespective of their area of work, and that has to be enforced by authorities that are independent of the Government.

Sir Nicholas Winterton (Macclesfield) (Con): I am deeply concerned about the hundreds of thousands and perhaps millions of people in this country and abroad who have lost or are losing their jobs. We have to get the banks lending again to ensure that our economy can grow so that unemployment will not be as high as we perhaps fear. Does the Chancellor believe that the money put aside for Sir Fred Goodwin to enable him at the age of 50 to have an annual pension of £650,000 will give people the confidence—it is confidence that is lacking in this country and elsewhere at the moment—that we can come out of the recession? Will he give an assurance that that pension will be stopped because it is being funded by taxpayers' money?

Mr. Darling: I said earlier that the board and UKFI on behalf of the Government are pursuing that matter. On the hon. Gentleman's first point, like him, I have the greatest concern for people at risk of losing their jobs; that is why we have put in place measures to help people back to work. For many years I listened to the hon. Gentleman when he sat on the Government side, so I know that he was consistent—unlike some of those

sitting around him—throughout the '80s and '90s in expressing his concern. I share it and I welcome his support for the measures that we are taking to help people back to work.

Mr. Andrew Mackay (Bracknell) (Con): Staying with Sir Fred's grotesque pension, why does the Chancellor think that the new chief executive of RBS stated clearly on the "Today" programme this morning that his predecessor's leaving arrangements were fixed between the old board and the Government? Was he deliberately misleading listeners or was he pointing out that the Chancellor was responsible for this grotesque pension and knew about it more than a week ago?

Mr. Darling: As I said, the pension arrangements were agreed between the previous board and Sir Fred Goodwin. That remains the position.

Mr. Michael Jack (Fylde) (Con): The long-term effectiveness of the Chancellor's measures is predicated on growth resuming in the British economy, but his statement referred to the International Monetary Fund's dire assessment of when growth is likely to return. Will the Chancellor confirm whether he still stands by his pre-Budget report, which said that growth would resume in the British economy in three months' time?

Mr. Darling: I said at the time of the pre-Budget report that we would set out our next set of forecasts at the time of the Budget. We will do that. The IMF figure that I mentioned related to its forecasts for the world economy. Since October, when I published my forecasts—they were broadly in line with those prevailing at that time—there has of course been a very sharp downturn in economies here and across the world. The latest IMF world forecast reflects that.

Mr. Philip Dunne (Ludlow) (Con): We have just heard announced today, so far as I am aware, the largest commitment by any Government of this country at any time in history to an individual entity. The material provided with this information, as so often with this Government, is woefully short of detail. Will the Chancellor confirm two individual aspects of the statement? First, what level of certainty has he reached with the Royal Bank of Scotland that its assets—the £325 billion-worth of assets that will go into this scheme—have been agreed with the Government? RBS has just concluded a conference call with investors, confirming that in its perspective the total quantum of assets of individual assets included in the scheme has not yet been finalised with the Government. Secondly, will he confirm whether any of those assets include non-performing assets? When will he provide detail on the level of the non-performing assets that the Government are prepared to take into this scheme?

Mr. Darling: I can perhaps help the hon. Gentleman on that: I hope very shortly to make further details available, and I will place them in the Libraries of both Houses. Inevitably, it will take time to finalise the detail, and to hold some of the discussions that have to take place before an absolute, final agreement is reached, but I think that I was right to come to the House to indicate the general scheme that we are proposing, and the amounts involved.

Mr. Peter Bone (Wellingborough) (Con): Will RBS be able to throw back the losses that it announced today and reclaim previously paid corporation tax, which would result in billions of additional pounds of taxpayers' money being invested in RBS?

Mr. Darling: I set out the tax arrangements in my statement.

Mr. Julian Brazier (Canterbury) (Con): Having announced this dismal package—a one-way bet that rewards failure on the part of individuals—will the Chancellor accept that this is the sort of pusillanimous leadership, shown in many countries in the 1930s, that led to the rise of extremism?

Mr. Darling: Even by the hon. Gentleman's standards, that is a particularly silly remark. We are taking this action because it is necessary to do so. Indeed, even his own party's Front Benchers have grudgingly admitted that. It simply is not possible to walk away from the problem—to wish it were not there and pretend that it had not happened. There is a problem, not just here but in other countries, and not just with RBS but with banks across the world. We need to do something about it; otherwise we will not get lending going again. If we do not get lending going again, the recession will be longer and more painful than would otherwise be the case. That is what the hon. Gentleman ought to reflect on.

Mr. Nicholas Soames (Mid-Sussex) (Con): Further to the Chancellor's answer to my hon. Friend the Member for Ludlow (Mr. Dunne), is the Chancellor clear and satisfied that he has been made aware by RBS, sector by sector, of the scale of the loans advanced by RBS that are now underwater?

Mr. Darling: As I said in my statement and in answers to questions on it, the Treasury and its outside advisers have looked in some detail at the assets that RBS has offered and has asked to have insured. As I said to the House earlier, one of our difficulties is in trying to value such assets at a time when conditions are deteriorating. We are taking action against a background that is not static; it is moving all the time. We have made every effort to ensure that those assets have been properly looked at and properly valued.

Business of the House

12.22 pm

The Leader of the House of Commons (Ms Harriet Harman): With permission, I should like to make a statement about the business for next week:

MONDAY 2 MARCH—Conclusion of remaining stages of the Political Parties and Elections Bill.

TUESDAY 3 MARCH—Motion to approve the draft Prevention of Terrorism Act 2005 (Continuance in force of Sections 1 to 9) Order 2009, followed by remaining stages of the Corporation Tax Bill, followed by motions to nominate Members of regional Select Committees, followed by motions relating to the Committee on Members' Allowances.

WEDNESDAY 4 MARCH—Consideration of an allocation of time motion, followed by all stages of the Northern Ireland Bill.

THURSDAY 5 MARCH—General debate on supporting women and families through the downturn and building a strong and fair economy for the future.

FRIDAY 6 MARCH—Private Members' Bills.

The provisional business for the week commencing 9 March will include:

MONDAY 9 MARCH—Estimates (2nd allocated day). There will be a debate on the work of the Department for Business, Enterprise and Regulatory Reform in the current economic situation, followed by a debate on railways. Details will be given in the *Official Report*.

[The details are as follows: Delivering a sustainable railway: a 30-year strategy for the railways? (10th Report of Session 2007-08 from the Transport Committee, HC 219; Government response—eighth special report, HC 1105); and Departmental Annual Report and scrutiny of the Department for Business Enterprise and Regulatory Reform (14th report from the Business and Enterprise Committee, HC 1116; and Government response Cm 7559) and further Oral Evidence of 16 December, 14 January and 23 February.]

At 10 pm the House will be asked to agree all outstanding estimates.

TUESDAY 10 MARCH—Opposition Day (7th allocated day). There will be a debate on an Opposition motion, subject to be announced, followed by proceedings on the Consolidated Fund (Appropriation) Bill.

WEDNESDAY 11 MARCH—Remaining stages of the Business Rate Supplements Bill, followed by a motion to consider the Penalties for Disorderly Behaviour (Amount of Penalty) (Amendment) Order 2009.

THURSDAY 12 MARCH—If necessary, consideration of Lords amendments, followed by a motion to take account of the outstanding reports of the Public Accounts Committee to which the Government have replied. Details will be given in the *Official Report*.

[The details are as follows: the 30th, the 36th, the 39th to the 41st, the 43rd to the 49th and the 51st and the 57th Reports of the Committee of Public Accounts of Session 2007-08, and of the Treasury Minutes on these Reports (Cm 7493, 7522 and 7545).]

FRIDAY 13 MARCH—Private Members' Bills.

Alan Duncan (Rutland and Melton) (Con): I thank the Leader of the House for giving us the forthcoming business. May I, through her, thank the Prime Minister, and indeed all Members of the House, for their sympathy and the generosity of spirit that they showed yesterday to my right hon. Friend the Leader of the Opposition, following the death of his son? In that spirit, I hope that the right hon. and learned Lady will today allow me to suspend the usual differences that we express each week across the Dispatch Box. This week, we will keep it very straightforward.

We welcome the debate that is to take place on Monday 9 March, which will allow us to discuss the accountability of Ministers in the Lords to this House. I have raised the issue before, and I am grateful to the Select Committee that is giving over its estimates day so that we can discuss that very important issue.

Yesterday, it was reported that Alma Harding, a 65-year-old retired postmistress, had been given a criminal record for clipping an offensive and rowdy teenager round the head with the papers from her parish council meeting. Many people have first-hand experience of the random, passing abuse that can be dished out by unruly children, and the corrosive impact that it can have on communities, and they will be angry and astonished that the case made it to court at all. May we have a debate on fairness in the policing and legal system, so that the House has an opportunity to make its own judgment on what we think its priorities should be—and then make proper law that fits our view?

May we also have a debate on teenage pregnancy? Today's statistics are a depressing reminder that the case of 13-year-old Alfie Patten, whose example should concern us all, is not an isolated incident. We are obviously failing our children when they are raising children themselves. Is it not right that people should be taught about right and wrong, and that bringing up a child carries with it enormous responsibilities?

Earlier this week, there were rather confusing briefings in the press about whether the Government were about to tear up their commitments on equalities legislation and on expanding maternity leave. I know that the right hon. and learned Lady takes a keen interest in those matters, so may I invite her to offer the House a statement to clarify the Government's position, and to announce any imminent changes that are intended?

May we also have a debate on the plight of businesses in our British ports and harbours? Hon. Members will be aware of the Valuation Office Agency's plans to levy retrospective charges for business rates on about 700 companies operating in British ports, and the devastating impact that that will have at a time of deep recession. That is a cross-party issue, and many Labour Members have been particularly active in trying to prevent the widespread redundancies that will inevitably follow from that punitive tax. It is surely in everyone's interests to debate the issue properly, and to make the point that imposing such retrospective detriment is unfair and unprincipled.

Finally, and particularly in light of the statement that we have just heard, may I once again call for a full and thorough debate on the economy in Government time? It has been yet another week of dire economic news. The scale of the problem is beginning to beggar belief. There has been a change of policy on Northern Rock, without any explanation of where the £12 billion-worth of new lending will come from. There are reports that the taxpayer will be underwriting debts to the tune of over a quarter of a trillion pounds; we have just

heard some further details of that. There was also an announcement by RBS of the biggest losses in corporate history in this country. In the week when we learned that the Government are once again printing money, is it not apparent that there is a real national need to debate the crisis properly on the Floor of the House?

Ms Harman: I agree with the hon. Gentleman's comments on the way in which Prime Minister's Question Time was handled yesterday and the suspension of questions. I think that all Members appreciated the opportunity to show their sympathy and support for the Leader of the Opposition and his family.

The hon. Gentleman asked about the case of Alma Harding. We have all seen press reports. I remind the hon. Gentleman that although we set the law in this House, our constitution requires the law to be applied by the courts and prosecutions to be undertaken independently by the Crown Prosecution Service. I am sure that neither the hon. Gentleman nor the Opposition as a whole would want us, as elected Members, to substitute our judgment—*[Interruption.]* Would hon. Members allow me to finish the point? We must not substitute our judgment for the independent decision-making process in the Crown Prosecution Service.

Although the court saw fit to give Mrs. Harding an absolute discharge, according to press reports, it did not take the option that it could have taken and require the CPS to pay her costs. Let me simply say that it is important that we all recognise that we cannot substitute our judgment for that of magistrates and justices of the peace. They hear the evidence, they must decide on the penalty, and they must decide the question of guilt or innocence. That is the appropriate position, and I do not think that the hon. Gentleman should try to make this House a substitute for a court of law.

We are all anxious to ensure that unwanted, unplanned teenage pregnancies are reduced to as low a level as possible. That is why, in 1999, we introduced a reduction target. Over the 10 years that the strategy has been in effect, there has been a 10 per cent. drop in the rate of teenage pregnancy. I think that, given that no progress was made in the preceding two decades, this has been a decade of welcome progress. However, as the hon. Gentleman rightly recognised, that progress has been uneven around the country. According to a report published today by the Office for National Statistics, local authorities that employ a focused strategy involving everyone working together have made considerable progress, while others have lagged behind. That is why the rate of progress has dipped and now requires further momentum.

Let me give two examples, from the hon. Gentleman's constituency and mine. In Rutland, there has been a 7 per cent. increase in the teenage pregnancy rate over the past 10 years. I suggest that the hon. Gentleman works with all the authorities in his constituency—health authorities, local authorities and schools—to back up the strategy that he clearly supports. In the London borough of Southwark, which I represent, there has been a 12 per cent. reduction in the—yes, much too high—rate of teenage pregnancy. We must do what we can in all parts of the country, which means giving information to parents on how to talk to their children about these issues, ensuring that there is good sex education in schools, and ensuring that there is good advice on, and accessibility to, contraception.

The hon. Gentleman asked about the equality legislation, and about maternity pay and leave. As I have said, there will be a debate next week on supporting women and families through the downturn, which will give Members an opportunity to speak and hear more about the role of equality legislation in ensuring fairness and equality for women in the world of work. We will press forward with that legislation.

I remind the hon. Gentleman that, since 1997, we have increased maternity leave from 40 to 52 weeks. We do not regard that as a burden on business; we regard it as support for families. We have doubled maternity pay from £55 to £117 a week. We do not regard that as a drain on the public purse or a burden on the taxpayer; we regard it as good support for families. Any further measures will be a subject for the Budget, which will be announced on 22 April.

The hon. Gentleman asked for a further debate on the economy. He will have heard me announce that there would be an estimates day debate on the Department for Business, Enterprise and Regulatory Reform in the current economic situation, which will give Members an opportunity to raise issues of concern such as lending to small businesses, securing jobs, helping those who do face redundancy, and ensuring that we do all that we can to support the housing market.

The hon. Gentleman asked about port rates. As he will know, a statutory instrument allows businesses more time to pay backdated obligations.

Derek Twigg (Halton) (Lab): I have been contacted by about 25 constituents over the past few weeks about the Autism Bill, and have met a number of them to discuss the Bill and the problems of autism. I have heard some heartrending stories about the difficulties experienced, by adults in particular, in gaining access to services and support. My constituents want those services and support, along with proper planning of services, to meet the needs of children and especially adults with autism.

A report on the website of the National Autistic Society, which I looked at this morning, states that the society is celebrating a "victory" and that the measures announced by the Government this week

"directly respond to the Bill".

A spokesman for the society says

"we have achieved our major political goals."

I am not entirely sure what the Bill will achieve that has not already been achieved. Will my right hon. and learned Friend confirm the Government's absolute commitment to delivering those improvements and to seeing them through to the end?

Ms Harman: I can confirm that the measures taken in the autism strategy go further than those proposed in the Bill. I pay tribute to the National Autistic Society for its proposals. We are developing the strategy and consulting on it. We undertake to go as far as we possibly can and to work closely with the society.

Mr. David Heath (Somerton and Frome) (LD): In response to the comments of the hon. Member for Rutland and Melton (Alan Duncan) about yesterday's events, let me simply say that I felt that the Prime Minister, the right hon. Member for Richmond, Yorks

[Mr. David Heath]

(Mr. Hague) and my hon. Friend the Member for Twickenham (Dr. Cable) expressed the House's sentiments very well. Any further words on the subject from me would be superfluous.

We have just heard a very important statement by the Chancellor of the Exchequer on economic affairs. At the same time, the Treasury Committee was hearing evidence from the Governor of the Bank of England. May I suggest to the Leader of the House that that was not good timing and not the best use of the House's time? Of course the statement was important and of course it needed to be made today, but the order of statements prevented Members—including the Chairman of the Treasury Committee—from being present in the Chamber to hear the statement. That strikes me as unfortunate; perhaps the Leader of the House will look into it.

While I am talking about financial affairs, I note that 9 March is to be an estimates day. Of course, the one subject that we will not debate on that day is that of the estimates that we will be asked to agree at the end of the session. On 10 March, we are to have what are misleadingly described as "proceedings on the Consolidated Fund (Appropriation) Bill". Precisely what we will not have are proceedings on that Bill, because under Standing Order No. 56 we cannot debate, amend or even vote on it. That, in my view, underlines the failure of the House to undertake properly its scrutiny role in relation to expenditure. We have escalating spending, escalating debt and an escalating contingent liability. Never has so much been spent by a Government with so little scrutiny. There is an urgent need for us to reform our scrutiny of expenditure, as well as the tax arrangements, in the current Parliament.

Experience shows that sadly, during a recession there is normally a concomitant increase in crimes such as burglary and theft. May we have a debate on police numbers? The Home Secretary has said that the overall number of police in the country has risen marginally, and she is correct. However, earlier this week, the chief constable of Gloucestershire said that in 19 police forces officer numbers had fallen. My own force area, Avon and Somerset, has lost 73 officers in the past year.

When I was chairman of Avon and Somerset police authority, under a Conservative Home Secretary, I asked for more officers every year and was told that we could not have them. Since then we have seen an increase, but now we are seeing a decrease at exactly the time when we need officers on the beat.

Lastly, may we have a debate on whether it can ever be justified to have a pension of £650,000 a year—three and a half times the Prime Minister's annual salary, 30 times the salary of the people in the call centres and the telling staff who are being sacked this week from the same organisation, and 140 times the basic state pension? When a public company is involved, can that level of expenditure ever be justified—or is it, as I suspect, corporate theft?

Ms Harman: We had to bring the statement to the House as soon as we could. The Treasury Committee was undertaking an important inquiry at the same time, so its members could not be present in the Chamber. That is unfortunate, but it was not readily avoidable. However, I take this opportunity to say that that Treasury Committee inquiry shows the Select Committee system at its best, doing a very important job on behalf of the public interest, and I pay tribute to its Chairman and all its members. We await their report with interest. They are performing an important public and parliamentary service.

The hon. Gentleman thinks that we could scrutinise the spending of Departments better. Perhaps he, the shadow Leader of the House and I should meet to discuss whether we can find agreement on a way to improve the processes. I think that he has a point, but I am not quite sure what the solution to it is.

There has been, on average, a 16 per cent. increase in resources to police authorities, so I am unclear how there could be a cut in police numbers in the hon. Gentleman's area. There has been a debate on law and order this week, in which I know those issues were widely aired.

Finally, the hon. Gentleman asked whether the pension he mentioned can be justified. I can answer that by saying no, it cannot be justified to have a pension from the age of 50 of £650,000 a year, especially if there is any question of its being financed at public expense.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): May we have an opportunity to debate the location of the medical examination centres for benefit claimants used by the Department for Work and Pensions? From a written answer from the Department, I have learned that more than 3,300 individuals from the Milton Keynes postcodes were asked to go for medical examinations in 2008, and forced to travel to either Aylesbury or Luton, both of which are extremely difficult to get to from Milton Keynes by public transport. Obviously, such people often do not have their own transport, or cannot use it. May we have an urgent re-examination of the arrangements and relocation of medical centres, so they are near where the claimants are, instead of in some bizarre, historical, random location?

Ms Harman: I shall draw this matter to the attention of my right hon. Friend the Secretary of State for Work and Pensions, and if my hon. Friend finds that the response is not satisfactory in relation to her constituents, she might think of seeking a Westminster Hall debate on the subject.

Sir Michael Spicer (West Worcestershire) (Con): How does the right hon. and learned Lady plan to protect MPs from spurious negligence litigation?

Ms Harman: A great deal of consideration is given to how we deal with this matter. At the last business questions, I set out the approach in principle that I think that we should take. The solution I would propose involves the role of the Speaker, perhaps joining as a party to encourage the court to recognise that it needs to strike out its original judgment. I feel that we have a duty of care to our constituents: that is a duty in our code of conduct. We are accountable: we are accountable to our electors at general elections. We are not accountable to the courts, except in respect of the criminal law, contract law and employment law. The judgment on how we have responded to our constituents is not for the judiciary; it is for every single elector and our constituents.

Clive Efford (Eltham) (Lab): May I echo the call of the hon. Member for Rutland and Melton (Alan Duncan) for a debate on fairness in policing, because we now have a situation in London where if someone happens to be a friend or associate of Boris Johnson, the chairman of our Metropolitan Police Authority, they are likely to get a phone call from him to discuss private conversations he has had, in his capacity as chairman of the authority, with chief officers who are involved in important investigations? That is an unsatisfactory situation. The Mayor has been admonished this week by an inquiry into that question, and the MPA will now have to consider setting up protocols to control the behaviour of the Mayor of London. The matter is worthy of debate on the Floor of the House, so may we have such a debate in the near future?

Ms Harman: That is a subject on which my hon. Friend might seek a debate in Westminster Hall or on the Adjournment, because it could involve a number of other London Members. It is a very important constitutional principle that elected members leave the police to get on with their job. We provide the resources and the legal framework, but it is not for elected members to decide who or what the police should be investigating or to seek to interfere with the conduct of police inquiries. That is totally wrong.

Philip Davies (Shipley) (Con): May we have a debate on political correctness in the light of the excellent remarks made by the Secretary of State for Communities and Local Government earlier this week, and particularly in relation to schools? Despite the right hon. Lady's speech, they are currently enjoying a lesbian, gay, bisexual, trans-history month, with schools performing "Romeo and Julian". Does the Leader of the House agree that it is better for pupils to learn about "Romeo and Juliet" and Shakespeare than the politically correct "Romeo and Julian", and does she also agree with her right hon. Friend on these matters?

Ms Harman: I do not regard myself as a Shakespeare expert, but, as far as I can remember, in Shakespearean times boys would play girls and girls would play boys, and the whole point was trying to work out which was which. As to pressing forward on equality, there will be a debate next Thursday on new equality legislation, so that we can ensure that everybody in this country is treated with fairness and respect and is not subject to prejudice and discrimination—or, indeed, cheap shots from the hon. Gentleman.

Keith Vaz (Leicester, East) (Lab): Will the Leader of the House join me in welcoming the decision of Amazon, the online sales company, to withdraw the video game "Rapelay", which, as she knows, allows players to simulate the stalking and raping of women? However, does she share my concern that it is still possible to offer for sale these kinds of degrading and deplorable video games? Also, when can we expect to have a debate on the aftermath of the Byron review, which the Prime Minister set up? Could we have that debate as soon as possible?

Ms Harman: There are two issues on which I know the Home Affairs Committee, which my right hon. Friend chairs, has been doing important work: such video games and the violent and pornographic material they contain, and the accessibility of such material on the internet. I am aware that there is an early-day motion in my right hon. Friend's name, which has attracted a number of signatures. We will be keeping the matter carefully under review and working closely with those in the industry, as well as the Internet Watch Foundation.

Mr. Peter Bone (Wellingborough) (Con): Will the Leader of the House say whether the Government plan to let the Autism Bill go into Committee—or do they plan to block it tomorrow?

Ms Harman: The procedure will be dealt with in the usual way, but what autistic adults and families with autistic children are concerned about is the substance of the services they get and what financial support they can get. As far as the process is concerned, we are going ahead with the strategy and the consultation. We will just have to wait and see what happens when the Bill comes before the House.

Andrew Mackinlay (Thurrock) (Lab): Has the Leader of the House had an opportunity to look at my early-day motion 872?

[That this House does not approve of the Government's proposed authorisation of a contingent liability in excess of £250,000 associated with the Defence Training Review set out in the Departmental Minute laid before Parliament on 17 February 2009, for which there is no specific authority; notes that only two copies of the Minute have been provided to the House; further notes that the Minute and the reference to it in the Votes and Proceedings for 23 February 2009 provides no information on which the House can come to a considered view on the proposed liability; and requests the Government to refrain from incurring the liability until approval has been given by a resolution of the House consequent on a thorough examination by the Committee of Public Accounts and the relevant departmental select committee.]

Although it is headed "Contingent Liability on Defence Review Training Costs", the EDM relates to the point raised by the hon. Member for Somerton and Frome (Mr. Heath) regarding how we deal with the authorisation of expenditure.

I discovered this week that there are things called unnumbered Command Papers, only two copies of which are supplied by the relevant Government Department to the House of Commons. One goes to the Library and the other goes to the Clerks Department; notionally, the latter is laid on the Table of the House. It seems that, in our ignorance, we nod through not just thousands but millions of pounds of authorised expenditure—a blank cheque for Departments—without any Member rumbling it. Apparently, it appears subsequently in the *Journal* of the House.

Will the Leader of the House consider how we can scrutinise this massive expenditure—it occurs some 30 or 40 times a year—so that Members of Parliament and the appropriate Committees can examine, probe and call to account the Ministers and Departments that bounce the expenditure through on a rubber-stamp basis?

Ms Harman: There is no intention that anything involving public spending should be rubber-stamped. There is scrutiny by Select Committees and the Public

[Ms Harman]

Accounts Committee, and there is the scrutiny that follows the Budget. If my hon. Friend has any suggestions as to how we can more effectively scrutinise public expenditure—the point raised by the hon. Member for Somerton and Frome—we would certainly be prepared to discuss them. In the first instance, perhaps my hon. Friend the deputy Leader of the House could conduct a discussion, and if anybody wants to contribute to it, they can talk to him. None of us has any interest in anything other than making sure that every pound of taxpayers' money is properly and effectively spent.

Mark Hunter (Cheadle) (LD): My constituency is home to the largest clinical unit dealing with anorexics and bulimics in the whole of the north of England, yet the supply of places there is still outstripped by demand. Given the answer that I recently received to a parliamentary question about the increase in the number of young women under the age of 16 suffering from eating disorders—the number has increased by 80 per cent. in the past 10 years—does the Leader of the House not feel that the time has come to have a debate on why there has been such a drastic increase in these figures and what more can be done to help?

Ms Harman: I will draw the hon. Gentleman's comments to the attention of my right hon. Friend the Secretary of State for Health, but it might also be appropriate for the hon. Gentleman to seek a debate in Westminster Hall on this issue. A number of other Members might like to join in that debate and to hear what the relevant Minister has to say.

David Taylor (North-West Leicestershire) (Lab/Co-op): The business statement has been going for 30 minutes, and in that time six or seven of our fellow citizens in the UK have suffered a stroke. Each year, some 150,000 people die from stroke, which is the third largest killer and the largest single reason for major disability in this country. At a conference in Leicester that I addressed on Monday, it was clear that the people there wanted the Government to return to a focus on the national stroke strategy, particularly in relation to so-called mini-strokes or transient ischaemic attacks. If treatment is provided within 24 hours for those at high risk, or within seven days for those at lower risk, it can reduce the risk of a recurrent, more major stroke by 80 per cent. or more, saving many thousands of lives. May we have a debate, perhaps in Westminster Hall, on this topic, which is sometimes not given the priority that it deserves?

Ms Harman: That would be a good topic for debate. I very much welcome the national campaign to raise awareness of the need for fast action when a stroke occurs. The Government have kept a continued focus on the national stroke strategy—not least on the prevention measures that can be taken but also, importantly, on ensuring that in all areas the hospital response is as good as in the very best instances. Massive progress has been made recently and we want to ensure that everyone can get the very best care.

Peter Bottomley (Worthing, West) (Con): Will the Leader of the House ask the Justice Secretary or the Lord Chancellor's Department to make a written statement on the working of the Legal Services Commission contract payments protocol? Obviously, no one expects a legal aid firm to get every minor variation paid each month, but where the standard monthly payment falls to about one quarter of the money outstanding to a legal aid firm, there ought to be a way of making sure that that payment is made. If the LSC consults the Law Society and the experts in my constituency, Jane Macdougall and Christine Campbell, it will probably find ways to make sure that the rules allow justice to be done. The Government want to make sure that debts are paid. Money is outstanding to good legal firms.

Ms Harman: I will draw the hon. Gentleman's comments to the attention of my right hon. Friend the Justice Secretary. I do not know whether the hon. Gentleman has tabled a written question, but the detailed points might be well made in such a question before he seeks a written ministerial statement.

Mr. Julian Brazier (Canterbury) (Con): The Leader of the House paid a generous tribute to the Treasury Committee. May I urge her to let us debate the Committee's findings on the port rating crisis, to which my hon. Friend the Member for Rutland and Melton (Alan Duncan) referred? Is she aware that, just in the last fortnight, a written answer has confirmed that the advice to Ministers from the Insolvency Service is that the statutory instrument she mentioned does not in any way affect the requirement of businesses to enter all rates outstanding in their balance sheet? Ministers are also reminded that directors who continue to trade can face direct personal sanctions for doing so.

Ms Harman: The hon. Gentleman will know that the Liaison Committee, consisting of the Chairmen of all the Select Committees, discusses and agrees which Select Committee reports are to be chosen for debate on the Floor of the House, and then makes a recommendation to the House.

Ann Winterton (Congleton) (Con): May we have a full day's debate—in Government time, not just on the Adjournment of the House on a Thursday—on future strategy in Afghanistan encompassing the present military effort, the lack of air power, the success or otherwise of reconstruction projects and other related matters, so that Members of this House can have a real opportunity to debate the future and the possible political successes or otherwise?

Ms Harman: We had a debate on Thursday 5 February on Afghanistan and Pakistan, a subject that the Government chose. Regular statements are made by the Secretary of State for Defence, and the topic is regularly raised in Foreign Office questions and, indeed, Prime Minister's questions. I assure the hon. Lady that I continue to look for opportunities to debate these important matters in the House.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): The Leader of the House will be aware of the evidence given to the Treasury Committee yesterday by Lord Turner, chairman of the Financial Services Authority, to the effect that the regulatory regime pursued by the FSA was based on poor instructions, that it was a bad model and that it was too light. He went on to say that

that was because of pressure from the Treasury—in other words, from the present Prime Minister. May we have a statement from the Prime Minister next week on his response to those grievous allegations and, in particular, on how he can go on saying that our financial crisis was caused by problems abroad, given that it is wholly plain that he contributed very significantly to them?

Ms Harman: As I said, the Treasury Committee is doing very important work in its inquiry. We look forward to the evidence that continues to be given to the Committee and the report that will follow, which the Government will consider carefully. As far as statements are concerned, I would like to hear a statement from the right hon. and learned Gentleman himself and the Opposition on how it is that, after baying year in, year out for less regulation, deregulation and total deregulation, they appear suddenly to be in favour of more regulation.

Alistair Burt (North-East Bedfordshire) (Con): May we have an urgent debate on the disparity between what the Government say they are doing to help small business and the reality on the ground? On 10 December, I wrote to the Secretary of State for Business, Enterprise and Regulatory Reform, copying a simple inquiry from a constituent company in Sharnbrook, Bedfordshire about information on grants that had been announced. Having received no reply, I wrote again on 29 January, and this month I followed that up with two phone calls to the Department. After 10 weeks, there has been no reply to an inquiry about information that the company needs. What is business to make of that failure to deliver? In its own small way, is not that failure as fraudulent as what the high rollers of finance have perpetrated on the British people?

Ms Harman: It is important that initiatives designed to provide substantive support to our vital small business sector at a time of global economic challenge work in practice for every small business that needs help. About 66,000 small businesses have had their tax deferred and all small businesses benefit in one way or another from the VAT cut and the extra money that has gone into the economy from tax rebates. The need to ensure that loan guarantees are available for reasonable borrowing is one of the reasons we produced the booklet "Real Help now for People, for Business". We have divided that up so that businesses in each region can see what help is available. If the system is not working as intended, that is very significant for the individual who needs help. I will ask the Deputy Leader of the House to take up the case and report back to me and the Secretary of State for Business, Enterprise and Regulatory Reform, so that if an individual case has hit a problem it can be sorted out, or if it illustrates a wider problem, we can deal with it.

John Bercow (Buckingham) (Con): My hon. Friend the Member for Congleton (Ann Winterton) rightly referred to the urgent need for a debate on the situation in Afghanistan, but will the Leader of the House allow a full day's debate on foreign affairs in Government time on the Floor of the House? She has previously indicated that she would attempt to schedule such a debate. Given that there are simmering crises in Zimbabwe, Darfur in western Sudan and Burma—to name but three—with egregious human rights abuses being committed in each case, is it not time that this House debated the British and multilateral policy response to those crises?

Ms Harman: The hon. Gentleman adverts to the fact that we have recently had several debates on important foreign affairs issues, including not only Afghanistan and Pakistan but Sri Lanka. The hon. Member for Macclesfield (Sir Nicholas Winterton) and my hon. Friend the Member for Vauxhall (Kate Hoey) regularly raise in business questions the need for a debate on Zimbabwe, and we all agree that that is pressing. Although I have not been able to announce such a debate in the business for the next two weeks, I can say that we will have a debate on Zimbabwe next month. I know that the House wants the opportunity to debate that issue.

On the wider point of a general debate on foreign affairs, there are routine general debates, and I shall have to look at that question.

Sir Nicholas Winterton (Macclesfield): Does the Leader of the House believe that it is appropriate to proceed with the appointment of Members to regional Select Committees at a time of dire financial crisis? That proposal will cost the House of Commons—in other words, the taxpayer—£2 million. I ask her to reconsider the appropriateness of proceeding with that proposition at this time.

May I also thank the Leader of the House publicly for saying that we will have a debate on Zimbabwe? I think that I have heard the date on the grapevine, and we are very grateful to her for finding time for a debate on that critical subject.

Ms Harman: Bearing in mind the enormous investment in regions—through the highways authorities, the learning and skills councils, Building Schools for the Future and new hospitals and health centres, not to mention the regional development agencies—which can have a profound effect on a region and its people, this is precisely the time when regional agencies should be more accountable for how they spend the money in their region, especially as there is even greater concern now that every pound of public money should be spent properly. I want those regional masters of the universe—the directors of those agencies that have a massive impact at local level—to be accountable to hon. Members for what they do. Therefore, the regional Committees should get to work on looking at the capital investment and the regional strategies of agencies.

Far be it from me to suggest what any regional Committee should do, but one of the things that the Committees could do is ask these regional masters of the universe for the details of their bonuses and pension packages. That would be an increase in accountability that might have a good effect on public spending.

Dr. Julian Lewis (New Forest, East) (Con): Will the Leader of the House convey my thanks to the Justice Minister for the help I have received from his officials in defining both the content and form of my amendment that, if Mr. Speaker selects it on Monday, will allow Members to decide whether candidates should be forced to reveal their home addresses during elections? When she is thanking the Justice Minister, will she ask for a statement from a Minister or a Law Officer about whether the law on treason still applies? I ask that in the light of yesterday's serious reports that British passport holders are operating in war zones and attacking British

[Dr. Julian Lewis]

service personnel. It needs to be made clear to anyone who seeks or holds a British passport that such activity is not only criminal, but treasonable.

Ms Harman: I will ask the Attorney-General to write to the hon. Gentleman about the enforceability of different aspects of our domestic law in respect of overseas actions. She can set out the full position for him.

I will convey the hon. Gentleman's comments to the Justice Secretary, but I wish to thank the hon. Gentleman for his work. He has tabled a good amendment that, if selected and accepted, will make it clear to electors in which constituency candidates live without forcing candidates to reveal their addresses if they do not want to do so. That is a very sensible amendment, and I understand that Labour Members will have a free vote on it. If it is selected, I shall certainly vote for it.

Mr. Philip Hollobone (Kettering) (Con): May we have a statement on the pernicious effects on local economies of the abolition of empty property relief for business rates? My constituent, Mr. Chris Brigstock, runs a local property development company and next week he will have to dismantle one of his warehousing facilities because he simply cannot afford to pay the business rates on it and he does not qualify for the temporary relief scheme that the Government have introduced. Economies such as Kettering cannot afford the loss of local infrastructure, and it is entirely due to Government legislation.

Ms Harman: I know that the Treasury is keeping this issue under review and I suggest that the hon. Gentleman write to the Chancellor of the Exchequer with details of the company concerned to see whether any wider lessons can be drawn from its experience.

Records of Detention (Review Conclusions)

1.9 pm

The Secretary of State for Defence (Mr. John Hutton): Before I begin my statement, I should like to pay tribute to the three soldiers from 1st Battalion The Rifles who died on operations in Afghanistan yesterday, and to the Royal Marine from 45 Commando who died yesterday from wounds received earlier this month. Today is a sad day for our armed forces and a reminder of the exceptional challenge that our personnel meet with such extraordinary resolve every day. We owe our security to these brave servicemen and women, and I am sure that the whole House will join me in sending condolences to the families and friends of those whom we lost yesterday.

I wish to make a statement on the results of a recent Ministry of Defence review of records of detention resulting from security operations carried out by UK armed forces in Iraq and Afghanistan. It is, I believe, essential that our armed forces are able to detain people who pose a real threat to our troops, our allies or the local population whom we are seeking to protect. These operations are conducted by our forces with courage, integrity and professionalism. In undertaking them, we take fully into account our obligations under international law.

In February last year, allegations were made that persons captured by UK forces in Iraq were transferred to US detention facilities and were mistreated and removed unlawfully from Iraq. My predecessor, my right hon. Friend the Member for Kilmarnock and Loudoun (Des Browne), rightly launched a review, and much of the work was led personally by a very senior British Army general. My right hon. Friend was right to satisfy himself that appropriate procedures were in place to ensure that persons captured by UK forces and transferred to US detention in Iraq were treated in accordance with UK policy and legal requirements. Separately, he also set in hand work to examine all available documentary material relating to detention operations in Iraq and Afghanistan, and to review the parliamentary record.

The Ministry of Defence has now completed a detailed review of records of detention in Iraq and Afghanistan since the start of each campaign. I am today placing in the Library details of all detentions in southern Iraq in each year since 2003.

In Iraq, we have reviewed the record of detainee numbers listing all individuals held in UK detention facilities, first at the Shaibah logistics base and subsequently at the contingency operating base at Basra. In December 2003, when the facility at Shaibah was first opened, records show that 105 internees captured by UK forces were transferred into it from US custody at Camp Bucca. A further 19 were released at that stage. After December 2003, an additional 546 individuals were interned in these facilities. The majority, 491, were released once it was judged that they no longer represented an imperative threat to security, while 141 were transferred to the Iraqi authorities. A further 12 escaped, six were transferred to US detention facilities and, as hon. Members will know, one sadly died in custody.

In conducting this review, it became apparent that, in three parliamentary answers since February 2007, Ministers had overstated by approximately 1,000 the numbers of

detainees held by UK forces in the period since January 2004. Nine further answers contained minor inaccuracies. I have written separately today to hon. Members setting the record straight, and I have also placed copies of the letters in the Library of the House. I want to apologise unreservedly for these inaccuracies.

We have also reviewed our records of detentions in the period from March to December 2003, when large numbers of individuals were captured by UK forces during the initial, high-intensity combat phase of the operation. Many of them were held for very short periods or were transferred to the US facility at Umm Qasr and then released. This facility was run by the UK from late March to mid-April 2003, at which point it was transferred to US control.

Given the circumstances in which the database was compiled, we cannot be confident that the data that we hold today are entirely complete. On a small number of occasions, answers or statements provided by my Department have included figures relating to the position in 2003 that indicated that we initially held up to 5,000 Iraqi prisoners during that period. However, a significant number of these were held on behalf of other coalition forces. We now believe that UK forces transferred around 3,000 individuals to the detention facility at Umm Qasr between March and December 2003, but I would ask the House to treat this figure as a best estimate.

In areas outside multinational division south east, UK forces have undertaken operations to capture individuals who were subsequently detained by the United States. These individuals do not feature in the data that I have set out today, but I want to reassure the House that the review has concluded that UK forces have exercised appropriately their responsibilities towards all captured personnel handed to US custody, whether in Multi-national Division (South-East) or elsewhere, and that it has uncovered no evidence of mistreatment.

During the final stages of the review of records of detentions, we found information about one case relating to a security operation conducted in February 2004. I am sure that hon. Members will recall that that period saw an increased level of insurgent activity as the transfer to Iraqi sovereignty drew closer. During the operation, two individuals were captured by UK forces in and around Baghdad. They were transferred to US detention, in accordance with normal practice, and subsequently moved to a US detention facility in Afghanistan.

This information was brought to my attention on 1 December 2008, and I instructed officials to investigate the case thoroughly and quickly so that I could bring a full account to Parliament. Following consultations with US authorities, we confirmed that they transferred the two individuals from Iraq to Afghanistan in 2004 and they remain in custody there today.

I regret that it is now clear that inaccurate information on this particular issue has been given to the House by my Department. However, I want to stress that that was based upon the information available to Ministers and those who were briefing them at that time. My predecessors as Secretaries of State for Defence have confirmed to me that they had no knowledge of these events. I have written to the hon. Members concerned correcting the record, and am placing a copy of these letters also in the Library of the House. Again, I want to apologise to the House for these errors.

The individuals transferred to Afghanistan are members of Lashkar-e-Taiba, a proscribed organisation with links to al-Qaeda. The US Government have explained to us that those individuals were moved to Afghanistan because of a lack of relevant linguists to interrogate them effectively in Iraq. The US has categorised them as unlawful enemy combatants and continues to review their status on a regular basis. We have been assured that the detainees are held in a humane, safe and secure environment that meets international standards that are consistent with cultural and religious norms. The International Committee of the Red Cross has had regular access to the detainees.

A due diligence search by US officials of the list of all those individuals captured by UK forces and transferred to US detention facilities in Iraq has confirmed that this was the only case in which individuals were subsequently transferred outside Iraq. This review has established that officials were aware of the transfer in early 2004. It has also shown that brief references to this case were included in lengthy papers that went to the then Foreign Secretary and the Home Secretary in April 2006. It is clear that the context provided did not highlight its significance at that point to my right hon. Friends.

In retrospect, it is clear to me that the transfer to Afghanistan of these two individuals should have been questioned at the time. We have discussed the issues surrounding this case with the US Government. They have reassured us about their treatment but confirmed that, as the individuals continue to represent significant security concerns, it is neither possible nor desirable to transfer them to either their country of detention or their country of origin. The UK no longer has power to detain suspects in Iraq, and only limited powers of detention in Afghanistan.

For Afghanistan, robust checks have confirmed that we have detailed and precise numbers of all those detained by UK forces since we deployed Task Force Helmand in July 2006. As of 31 December 2008, our database holds the capture details of 479 individuals, including 254 who were subsequently transferred to the authority of the Government of Afghanistan, 217 who were released, and eight who died as a result of injuries sustained on the battlefield.

We hold capture details relating to a total of a further seven individuals detained by UK forces between 2001 and April 2006, and I believe that this represents a complete record. I am also placing the complete details of the detainee numbers for Afghanistan in the Library of the House.

Our detention operations in Iraq and Afghanistan are underpinned by arrangements with our international partners. We have a memorandum of understanding in place with the Government of Afghanistan, signed on 23 April 2006, covering the treatment of individuals detained by UK forces and transferred to Afghan custody. We also have a memorandum of understanding with Iraq, agreed on 8 November 2004, on the treatment of detainees transferred to Iraqi custody. Iraqi Interior, Justice and Defence Ministers have confirmed to us that Iraqi detention procedures remain consistent with the principles set out in that memorandum of understanding.

For the initial stages of the campaign in Iraq, we also had in place a memorandum of understanding with the US and Australian Governments covering arrangements for the treatment and transfer of detainees. We worked

[Mr. John Hutton]

on the mutual understanding that the key provisions of the memorandum of understanding continued to apply until it was replaced last year by a further memorandum of understanding with the US. We have also confirmed with the US that the provisions on arrangements for the treatment and transfer of captured prisoners remain under the new legal framework in Iraq and that no person captured with assistance from UK forces will be removed from the territory of Iraq without prior consultation with the UK.

Let me make a final observation. We ask our armed forces to operate in highly dangerous environments, where there is often a limit to the capacity of local agencies to enforce security and the rule of law. In those circumstances, it is essential that we provide our forces with the authority and capabilities to deal effectively with individuals who represent a serious threat to our troops or those they are there to protect; the two detainees to whom I referred earlier fall into that category. We recognise the sensitivity of detention operations. We have put in place rigorous safeguards to ensure that detainees are treated properly. We will continue to carry out detention operations in accordance with our legal and policy obligations, in concert with the US and other allies. This is, and will remain, absolutely central to the way our armed forces conduct these vital operations.

Mr. Crispin Blunt (Reigate) (Con): May I fully associate the Conservative party with the Secretary of State's comments about the deaths of the four soldiers yesterday? It was a black day for the armed forces, and it was particularly sobering for me as my old regiment is shortly to go to Afghanistan. I entirely associate the Conservative party with the comments made by the Secretary of State at the end of his statement, when he made clear the challenge faced by the armed forces on operations overseas in very difficult circumstances.

I thank the Secretary of State for giving me early sight of the statement and I note that it follows the undertaking in his letter of 17 November to the Chairman of the Defence Committee to answer the questions put to him by the Chairman and my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) in the sitting that he had three weeks earlier with the joint committees. It is a serious concern that there is an underlying charge of complicity with serious abuse of people detained by British forces on operations overseas. Properly, I presume that it is to address that charge that the Secretary of State has decided to come to the Chamber to make an oral statement, and we thank him for treating the issue with the seriousness that it deserves.

Much of the Secretary of State's statement dealt with the transfer of two members of Lashkar-e-Taiba to Afghanistan in 2004 following their capture by British forces and their being handed over to the American forces. I am grateful for his candour on the details uncovered by the review. It is clear—I know that he has had a conversation with the shadow Secretary of State, who is abroad, about this—that this is a specific rather than systemic failure. I also accept that there appears to be no legal or practical alternative to their continued detention, where they have access to the International Committee of the Red Cross and appear to be detained in proper circumstances.

Will the Secretary of State confirm that his account contradicts the specific assurances given by the then Foreign Secretary to my right hon. Friend the shadow Foreign Secretary on 6 February 2006? It is at the very least unfortunate that both officials and Ministers overlooked the significance of the cases, not least since the issue of rendition was already highly controversial. My hon. Friend the Member for Chichester (Mr. Tyrie) had already formed his all-party group on the issue. The Secretary of State says that in retrospect it is clear to him that the transfer to Afghanistan of the two individuals should have been questioned at the time. What is his explanation for that not being done at any level and not being rediscovered until 1 December 2008?

I acknowledge the Secretary of State's unreserved apology for overstating by about 1,000 the number of British detainees since 2004. Again, will he provide the House with an explanation for that? I visited the prison facilities in our area of operations with the Defence Committee in early 2004 and I acknowledge that they had been much improved since serious concerns surfaced about operations there in 2003, but in those circumstances I am astonished at the inaccuracy arising from conditions in 2004 and afterwards. Equally, my experience would lead me to accept that the figures for 2003 could only be an estimate.

Let me turn to our current operations in Afghanistan. What confidence does the Secretary of State have that some of the 254 detainees handed over to the Afghan authorities have not been mistreated or tortured? On what basis does he claim in his letter to the Chairman of the Defence Committee of 17 November 2008 that there is no legal obligation to detainees once they are transferred to another state? Does he acknowledge that a moral obligation exists? Was that not implicit in the memorandum of understanding between the USA, Australia and the UK of March 2003? Why would not that wider obligation also apply between the UK, Iraq and Afghanistan?

The statement avoids the principal public issue, which is the charge about complicity by UK forces operating in Iraq outside the Multi-national Division (South-East). That is a glaring hole and it must be addressed. I suspect that as Secretary of State he might not be inclined to thank my hon. Friend the Member for Chichester for his dogged persistence on the issue. However, I rather suspect that, as a parliamentarian, the Secretary of State will admire my hon. Friend's achievement in ensuring that the issue remains at the front of parliamentary concern. I hope that the Secretary of State will confirm that for all the difficulty that the statement brings the Government and the embarrassment at procedures that apparently undermine and sometimes disgrace our values my hon. Friend has done Parliament and our wider values proud by holding the Government to account.

This is about more than thoroughly indifferent administration. The statement has partly been prompted by the work of my hon. Friend and, not least, by the evidence produced by the former SAS trooper Ben Griffin before he was injuncted by the Government almost exactly a year ago. Let me remind the House of the gravity of the charge. Ben Griffin said:

"Throughout my time in Iraq I was in no doubt that individuals detained by UKSF and handed over to our American colleagues would be tortured. During my time as member of the US/UK Task Force, three soldiers recounted to me an incident in which

they had witnessed the brutal interrogation of two detainees. Partial drowning and an electric cattle prod were used during this interrogation and this amounted to torture. It was the widely held assumption that this would be the fate of any individuals handed over to our America colleagues. My commanding officer at the time expressed his concern to the whole squadron that we were becoming 'the secret police of Baghdad'."

How is the public interest served by the injunction when Ben Griffin had left the Army over two years earlier and had made numerous public statements on the nature of those operations in 2006, when he left, and on the role of UK forces in detaining Iraqis and other suspects? The injunction did not come until two years later. Surely, given the serious nature of his allegations and the time elapsed since his operational experience, his account should be publicly scrutinised. The Secretary of State must be prepared to answer those charges.

Exquisite detail about official and ministerial oversight concerning two men is all very well and it is appreciated, but it sits ill with simply sweeping under the carpet the apparent evidence of direct British service involvement with delivery to gross mistreatment amounting to torture involving hundreds if not thousands of people. The evidence available is that the conduct of American forces has significantly improved since Ben Griffin served in Iraq, but the country is owed an account of what happened. Nothing does more to undermine our fight against terrorism and violence than departing from the rule of law and the values that we seek to defend. That does the terrorists' work for them. Is that not further cause for the Government finally to set up the comprehensive inquiry into Iraq without any further delay?

Mr. Hutton: I welcome some of the hon. Gentleman's early remarks, although I did not agree with some of the remarks towards the end of his questions. I think that with hindsight and the ability to reflect on them he might well want to say something different at some point in the future.

I want to pay tribute to all hon. Members, on both sides of the House, who have championed the issue. I agree with the hon. Gentleman about the importance of UK armed forces and HM Government as a whole operating firmly within the framework of the rule of law. These are our values, and we seek to uphold them throughout the world. We have made every effort to do so in operations in Iraq and Afghanistan.

Let me deal with some of the specific points that the hon. Gentleman mentioned. There is no truth whatsoever in any allegation that British officials were complicit in the abuse of these two individuals. There is no evidence of abuse in relation to these two individuals and I made that very clear in my statement. I was surprised that the hon. Gentleman suggested that that was not the case. There were errors in relation to the records on the two individuals, which largely explains why the approval of the UK was not sought about their transfer in 2004. My understanding is that the records of the US authorities had those two individuals down as detained by US forces, not UK forces, and I think that largely explains the error, but it should not have happened.

The hon. Gentleman asked me specifically about errors in detainee records in Iraq. The best explanation that I can offer him, because it is the best one I have seen—that has come to me—is that there was significant double counting at the time in respect of records on detainees. We have put that right, and Permanent Joint Headquarters now maintains one central database, which is regularly updated, and we have dealt with that particular problem.

The hon. Gentleman asked about the legal position of the two detainees. I have to say that it is far from clear. I do not want to opine on the subject of the legality or otherwise of the position of those detainees—I am not in a position to do so—but I strongly welcome the review that the President of the United States recently announced about detention policies across the range of operations in which US forces are engaged. I am sure the whole House will welcome the outcome of that review.

I am afraid that the hon. Gentleman and I began to part company when he ended his comments with allegations that Ben Griffin has made about abuse. The hon. Gentleman gave the very strong impression that he thought that those allegations were true and correct. There is no evidence to substantiate those allegations. They have been looked at by a very senior serving British Army general, who found no evidence to support them. It is important that the point is re-emphasised; I tried to deal with it in my statement, so I was surprised that the hon. Gentleman raised it in the way he did.

The hon. Gentleman referred to the injunction against Ben Griffin as though it were some constitutional outrage. Every member of the special forces agrees a confidentiality deal when they sign up, and if the hon. Gentleman ever has the responsibility of standing at the Dispatch Box to deal with such matters he will find that that is for a very good reason: it preserves the safety and security of special forces operations, and it must not and should not be challenged in the way that the hon. Gentleman challenged it. That is a mistake and he will rue the day if that is the view he takes into government, should he be given that opportunity.

I finalise my comments with this point: we are not sweeping anything under the carpet. The hon. Gentleman implied that today we were somehow sweeping things under the carpet—he used that expression. It is simply not true. We have extended an open hand and an open invitation to people to come forward and confirm those allegations. None has done so.

Nick Harvey (North Devon) (LD): I echo the words of condolence that the Secretary of State rightly gave for those who died yesterday. I thank him for his statement and like him I sympathise with the plight of those who have to make difficult decisions in the chaos of the battlefield.

The Secretary of State has come to the House today and presented the conclusions as comprehensive. Will he guarantee to the House that every record and every piece of information held by any element of the British Government armed forces, security and secret services and so on has been scrutinised exhaustively and that this is indeed the last word on the matter? At the heart of it is our relationship of trust with the United States. Does he agree that the new Administration in America now acknowledge that things happened in the past that should not have happened, which they are defining as torture, for example, whereas the previous Administration denied that emphatically? Were not most of the assurances on which we are relying in the account the Secretary of State has given us today in fact assurances given by the previous Administration?

[Nick Harvey]

If the memorandum of understanding between us and America, on which we are relying, was as strong as the Secretary of State invites us to believe, how was it so easily pushed to one side in this specific case? Did the British Government really buy the explanation that the US, with hundreds of thousands of personnel out there in its hunt for al-Qaeda operatives in Iraq, did not have a single person in the country who could speak the relevant Pakistani language, and that that amounted to an adequate reason to move the detainees elsewhere? Have we explicitly asked the Americans whether anybody handed over was at any point tortured or water-boarded? What is our policy for our personnel? Are British personnel explicitly told not to be complicit in abduction, rendition or torture?

Perhaps the most disturbing thing in the statement was the fact that information was available and made available to the then Foreign and Home Secretaries, so in a sense it was missed at the time. Were the lawyers asleep on the job? Did they not come back later and give legal advice? As the temperature on the issue rose, with allegations of extraordinary rendition and the use of Diego Garcia for flights, did no official revisit the information that had been given to Ministers and draw their attention explicitly to it?

My final point relates to the allegations made a year ago by Ben Griffin. Looking closely at what he said, we see that he was talking about joint operations, with UK and US troops working alongside each other. In the statement today, the Secretary of State gave a detailed account about people who were detained by the British, but later in his statement he said that, in the new arrangements that have existed since 1 January, we have probed with America their arrangements for treating people captured with assistance from UK troops. I ask myself whether there were instances when UK troops actually captured people but from the very word go they were deemed to be held by the Americans. I wonder whether the Secretary of State can reassure me that that is a distinction that does not really exist, because it seems to me that Ben Griffin's allegation may be slightly different from the explanation that the right hon. Gentleman has given today.

These are very serious issues. The statement raises almost as many questions as it answers. The Secretary of State took the Conservative spokesman to task, saying that the hon. Gentleman might come to rue some of the things he said. I should like the Secretary of State to reassure the House that he is absolutely confident that nothing will come to light subsequently, either from more whistleblowers or investigative journalists, that might cause him or any other Minister in the future to have to come back to the Dispatch Box and acknowledge that we have not had as comprehensive a version of the truth today as he might like to think.

Mr. Hutton: I thank the hon. Gentleman for his opening remarks about the members of the UK armed forces who lost their lives recently in Afghanistan. I appreciate what he said.

I reassure the hon. Gentleman and his hon. Friends that we have looked in very great detail into the records of detention arising in both Iraq and Afghanistan that involve UK armed forces in whatever category and in whatever role. I believe, because we spent a lot of time on it before I came to the House today, that the review is as comprehensive and as thorough as it can possibly be.

On the hon. Gentleman's points about the two Lashkar-e-Taiba detainees, I have tried to explain the circumstances of that case and the error in the way that the records were maintained that gave rise to the failure to consult the UK properly. I do not really have anything further to add, other than to say again that I bitterly regret the mistakes that were made; in retrospect, things should have been done differently.

The hon. Gentleman asked about the operational framework for UK armed forces. It is made absolutely clear that UK armed forces will not participate in operations where there is a danger or a risk of inhuman, degrading or cruel treatment for individuals. We operate to a very high standard. It is right that we do so, because as I said earlier those values define the nature of our country, and our armed forces are part of that and reflect it. We have always stood on the side of human rights and freedom and we shall continue to do that.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. I appreciate the significance of the statement and the interest of Members, but the main business of the House is still to follow, so I ask for brief supplementary questions and a concise response.

Mr. Andrew Dismore (Hendon) (Lab): I thank my right hon. Friend for his statement, which is helpful. Can he confirm whether, when the two Lashkar-e-Taiba people were handed over, British forces knew or suspected that they would be held anywhere other than Iraq? Can he confirm that they were not subjected to water-boarding, because our view is very different to that of the Americans? Can he let us know whether we received any intelligence or information from the interrogation of those suspects in Afghanistan?

Mr. Hutton: I can confirm that we have had no evidence of abuse in the treatment of the two individuals. I understand the position to be that we had no information at the time they were detained that they would subsequently be sent to Afghanistan.

Mr. Andrew Tyrie (Chichester) (Con): Is it the case that, in a number of operations, a small number of US soldiers are attached to British forces, so that subsequent detainees are classified as US detainees from the start? I hope that the Secretary of State will understand that, among the all-party parliamentary group on extraordinary rendition, there is great disappointment that such statements have to be made.

I began some years ago to make a number of very serious allegations that Diego Garcia had been used for rendition, that armed services were being dragged into that, and that the security services had facilitated rendition. All those allegations were vigorously denied, and all of them have been confirmed in three ministerial statements over the past year and by a High Court judge. Given that all those assurances were baseless, I hope that he can understand that we have less confidence than we did in assurances being made now. Will the Government now agree to instigate a more comprehensive inquiry to bring closure to this sad and sorry business?

Mr. Hutton: I pay tribute to the hon. Gentleman for the honourable and distinguished role that he has played in highlighting these issues, and I have no issue in that regard at all. He raises an important point that goes to the heart of the matter. His question raises a concern about the accuracy of the records that we have been reviewing. I remind him that the two individuals who are in focus were classified in the records as detained by US forces and that that came to light because of the review of all the records where UK and US forces worked together in joint operations. I understand what he says, and I want to reassure him, as far as I am able today, that this has been a thorough and comprehensive review that has got right to the heart of the issue.

Paul Flynn (Newport, West) (Lab): Does my right hon. Friend agree that those who caused the awful deaths of our soldiers, which increased by four this week, do not differentiate between various Ferengi? We are all in the same group of alien invaders to their country. One group—America, under Bush—was certainly responsible for torture, with water-boarding and other methods, and that deep sense of grievance is the recruiting sergeant for the Taliban and al-Qaeda. Should not we in this country embark on a new policy? That is happening in America, which is turning its back on the previous policy of Bush and seeking a new peace strategy that will be based on talks with the enemy. Is it not time that we also embarked on a peace strategy?

Mr. Hutton: I do not accept my hon. Friend's characterisation of coalition forces as alien invaders. They are working under the clear authority of a succession of UN Security Council resolutions and have operated for many years in Iraq under the explicit authority of a UN Security Council resolution. Our approach in Afghanistan does not just involve the use of military means, but I do not believe that it will succeed without the use of military means. There is a chronic lack of security in Afghanistan, and we need to correct that, but we are pursuing a range of strategies in Afghanistan to bring about what he and I both want: an end to hostilities and a resumption of peace and democracy in that country.

David Davis (Haltemprice and Howden) (Con): I commend the Secretary of State for coming to the House and facing this issue today—he did the right thing in doing so—but he is handicapped by the fact that, as my hon. Friend the Member for Chichester (Mr. Tyrie) said, this is the latest in a series of issues where the Government have been less than straightforward. With Diego Garcia, the Intelligence and Security Committee was given information that turned out to be wrong. The ISC raised the Gambian issue, where the rules were broken quite clearly. In the Binyam Mohamed case, the ISC was not given the 42 documents until very recently and not when it was said that that would happen. A dispassionate observer would think that there are one of three explanations. First, the Government are deliberately turning a blind eye. I hope that that is not true. Secondly, possibly, the covert agencies are using deniability to operate outside the law. We hope that that is not true. Thirdly, there is a reprehensible lack of control of our agencies in their operations abroad.

The Secretary of State was wrong about one thing in what he said. Our responsibilities on torture with respect to our prisoners are absolute under international law and British law. That responsibility means that he has to meet my hon. Friend's request for an inquiry that covers all these issues.

Mr. Hutton: I am grateful to the right hon. Gentleman. He speaks with a lot of personal experience, and I want to acknowledge that, too. He raised the point about further inquiries, as did the hon. Member for Chichester (Mr. Tyrie), and referred to the Intelligence and Security Committee. I want to make it clear that we briefed the ISC pretty fully on a range of issues to do with rendition and the involvement of the two individuals in that wide sweep of operations. That evidence was brought to the ISC's attention as it prepared its report on rendition, which was pretty thorough and comprehensive, and the right hon. Gentleman would have read it very carefully. The ISC has looked very carefully at these issues of rendition, and we have not withheld information. The review that we have instigated in the light of Mr. Ben Griffin's allegations has been thorough and comprehensive. So we are doing all that we possibly can to expose problems when they have arisen, to provide a very strong justification for UK forces—whether special forces or otherwise—to have the ability, the power and the means to detain people who mean us serious harm and have the intention to do so. In that, I have been completely honest and frank with the House today.

Andrew Mackinlay (Thurrock) (Lab): I thank the Secretary of State for his candour and diligence in this matter. I should like to focus on the narrow issue of parliamentary accountability, with particular reference to the fifth and eighth paragraphs on page 2 of the statement, which relate to the way that the matter of the two individuals was reported to the House. Was the omission—the wilful ignorance—that of the officials in his Department or that of members of the security and intelligence services? People have laughed at me before when I have said that the security and intelligence services are unaccountable and out of control, but this case underlines yet again the fact that either they or people in his Department do not understand the importance of candour to Parliament.

I fully accept that the Home and Foreign Secretaries reasonably did not take full cognisance of what was flagged up to them in documents. The duty was with the officials either in his Department or in the security and intelligence services. I want to know whether people have been disciplined and whether the Intelligence and Security Committee, which is seriously deficient and not a parliamentary committee, will at least look at the error. Parliament was misled; Ministers were misled. It is a very serious matter.

Mr. Hutton: It is a serious matter, and that is why I am here today to try to respond to it. I have tried to explain to the House today how the errors and mistakes arose. I have nothing further that I can say to my hon. Friend to add what I said in my statement. I am, however, absolutely clear about one thing: Ministers in my Department acted in good faith at all times, and so, I believe, is the case for my officials, who acted on the basis of the information that they had at their disposal. In relation to Ministry of Defence officials, there is no question whatever of any disciplinary action being taken.

Sir Menzies Campbell (North-East Fife) (LD): The Secretary of State gave a very careful answer a moment or two ago, when he said that the Government had no information about the treatment of the two men, but I hope that he will address a further question. What inquiries did the Government make when they were being given assurances? In particular, what inquiries did they make about the forms of interrogation to which those men may have been subject? In further particular, did the Government ask whether either of those men had been subject to water-boarding?

Mr. Hutton: Inquiries have been made, and I am quite satisfied on the basis of the information that has reached me that there is no substantiated evidence of the mistreatment or abuse of those two individuals.

Mr. Ben Wallace (Lancaster and Wyre) (Con): We should not forget that some of the individuals who have been captured pose a very significant and dangerous risk to our armed forces and British interests. Can the Secretary of State confirm that, when special forces go in to capture a target, they do so only after intelligence is analysed and upholds a standard to suggest that those individuals pose a serious threat to our country's and our forces' interests? Does he not recognise that, if such a muck-up is to be avoided, the best way forward is to have an Intelligence and Security Committee that has a proper ability to investigate our agencies and to drill into such requests, so that our agencies do not go freelance and that our forces are better protected in future?

Mr. Hutton: It is very important when we are conducting these security operations that there is a clear policy framework and that everyone understands the nature of the jurisdiction in which they operate and is aware of the legal parameters in which their behaviour could be ultimately judged. We make very great efforts to ensure that that is the case. I agree strongly with the hon. Gentleman about the importance of these security operations. None of us in the House should be under any illusion: we are dealing with some extremely dangerous people who mean us, our values and our way of life serious harm, and we are entitled to protect ourselves against them.

Mr. Peter Bone (Wellingborough) (Con): I am grateful to the Secretary of State for the frank statement that he has made. To put some balance into the picture, every day, British personnel risk their lives to rescue Taliban who are injured on the battlefield. RAF personnel fly in and bring them back to be patched up in hospital, and their lives are saved, although they may be interrogated afterwards. Our forces are doing a fantastic job, not only protecting our troops but recovering injured Taliban as well.

Mr. Hutton: I am grateful to the hon. Gentleman. I was trying to strike that balance, but he has done it better than I did. Our forces operate in a humane environment. They are deeply humane men and women, and it is right that he should pay tribute to them.

Sarah Teather (Brent, East) (LD): My constituent Jamil el-Banna was rendered from the Gambia to Bagram, where he alleges that he was tortured, so the Secretary of State will forgive me if I am left rather uneasy by his assurances to the House today that the two individuals were treated humanely. Further to the questions of my right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell) and my hon. Friend the Member for North Devon (Nick Harvey), may I ask whether the reassurances that the Secretary of State has been given by the US were given under the current or previous US Administration? Furthermore, he did not specifically answer the question about whether he made inquiries about water-boarding or torture.

Mr. Hutton: Our discussions with US officials date from early December and have only recently concluded.

Chris Huhne (Eastleigh) (LD): Will the Secretary of State say what inquiries had been made on behalf of the Ministry of Defence? Neither my right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell) nor my hon. Friend the Member for Brent, East (Sarah Teather) got a straight answer when they asked that question. The Secretary of State did say that there was no substantiated evidence of mistreatment, but was there any evidence? Can we strip away any mealy-mouthed adjectives? Was there any evidence whatever of mistreatment?

Mr. Hutton: No.

Welsh Affairs

[Relevant Documents: The First Report from the Welsh Affairs Committee, on Cross-border provision of public services for Wales: Further and higher education, HC 57, and the Second Report from the Committee, Globalisation and its impact on Wales, HC 184.]

1.51 pm

The Secretary of State for Wales (Mr. Paul Murphy): I beg to move,

That this House has considered the matter of Welsh Affairs.

Before starting today's debate, I would like to extend, through the hon. Member for Chesham and Amersham (Mrs. Gillan), the thoughts, prayers and sympathies of everyone in Wales, of all political persuasions—I am thinking particularly of Welsh Members of Parliament—to the right hon. Member for Witney (Mr. Cameron) and his family at this difficult time for them.

You are a serious Welsh lady, Madam Deputy Speaker. Like you, I am glad to be present at this annual Welsh day debate. It is sometimes called the "St. David's day debate", but as hon. Members know the feast day of that saint is Sunday. Today is, in fact, the feast day of St. Isabel of France—rather appropriately, bearing in mind what might happen on the rugby field in Paris tomorrow. I am sure that we all send our best wishes to the Welsh rugby team for tomorrow.

Each year we take this unique opportunity to debate all that is Welsh. However, this year there is little doubt that our minds have to be focused on the significant economic challenges that all of us collectively face. Wales, along with every country in the world, cannot insulate itself from the worldwide economic problems. No one could have predicted the sheer scale and speed of recent events. This is no ordinary crisis, and it is clearly not the result of the usual cycle of domestic inflationary pressures. It is the first financial crisis of the global age.

What has changed since the United Kingdom recessions of the '80s and '90s is that it used to be thought that spreading financial risk globally would insure against it. Instead, however, the risk has impacted globally. My right hon. Friend the Chancellor of the Exchequer's statement earlier today has great relevance to that point.

Since the '80s and '90s, there is no doubt that the Welsh economy has been dramatically transformed. As I look back at last year's debate—as we get older, I suppose that we tend to look back—I remember that I spoke about Wales's record employment, the importance of the knowledge economy and the fact that the Wales of the future will be a small but clever country. The present economic crisis is hitting us hard, but we are starting from stronger foundations than ever before. The financial crisis has caused a world recession, with consequences that are hurting individuals, families and firms right across Wales. Government action on regional, national and international—and, indeed, local—levels is required to intervene and support our economy by helping people and businesses.

Our decisive action in October, to invest £37 billion to strengthen our banks and stop them collapsing, was vital for our economy—not for the sake of the banks, but, as my right hon. Friend the Chancellor said earlier, for the people and businesses in Wales and around Britain that rely on them. In January, we announced further measures designed to reinforce stability, to increase confidence and capacity in order to get credit flowing again. The pre-Budget report in November additionally provided a £20 billion injection for the economy, including targeted support for small businesses, a temporary reduction in VAT and support for homeowners facing difficulties. We calculate that approximately £1 billion has come to Wales because of that fiscal stimulus.

Lembit Öpik (Montgomeryshire) (LD): The Secretary of State knows that I am sympathetic to and fairly supportive of the measures that the Government are taking to try to lessen the impact of the economic downturn. Nevertheless, is he aware that many small businesses—certainly in Montgomeryshire—are experiencing serious problems because, notwithstanding the Government's investment, the banks are still reducing their overdraft facilities? That means that otherwise viable businesses have to lay off workers and may have to close as a result of the banks' reticence about maintaining lending at pre-recession levels.

Mr. Murphy: I am aware of that. A week or two ago, the hon. Gentleman and I met to discuss those issues with business people from Montgomeryshire. Unquestionably, banks are not doing what they should do—that is, lend to businesses. I am thinking particularly, of course, of viable businesses. We can understand a bank being reluctant to help out a business that is far too risky and has no future, but stories reaching me from all parts of Wales show that some banks are not lending as they ought to. There is a significant issue of delivery following announcements from the Government here and in Cardiff. I shall return to it in a few moments.

Figures show that the VAT reduction has already helped to bring inflation and prices down, putting more money into the pockets of Welsh families—about £275 a year for the average family—and assisting businesses. Our legislative programme for the fourth Session demonstrates our determination to equip people and businesses to deal with the economic challenges too. Taken together, the initiatives and the legislative programme represent decisive action. As the Prime Minister has said, we simply cannot walk by on the other side when decent, hard-working people are facing tough times. That is why it is important that today real help should go to our businesses, our trainers and those who face the possible repossession of their homes.

It is so important to stress that we in Wales have a unique opportunity. The Welsh Assembly Government are taking action—more than £1 billion is coming from Cardiff and going into businesses and helping families. That action and the measures that this Government have brought forward show that the way to tackle the problems is through the devolved Administration and the Government working together.

That has been seen in the all-Wales economic summits, which I attend with Rhodri Morgan and Ieuan Wyn Jones and which are leading the way in dealing with the global problems affecting Wales's economy. My hon. Friend the Under-Secretary of State and I have visited businesses right across Wales to listen to accounts of the impact that the recession is having. In addition, I sit on the National Economic Council, which means that I can put the Welsh view there and go back to Wales to discuss the important issues with colleagues.

[Mr. Paul Murphy]

The measures in the pre-Budget report, such as business rate exemptions on vacant business properties and additional time for firms facing cash-flow problems to pay their tax bills, came from the meeting of the first all-Wales economic summit in Cardiff some months ago. The request was made at the summit and the Governments in London and Cardiff acted. Some 2,600 businesses in Wales have been given extra time to pay tax; that amounts to about £38 million of deferred payments in Wales alone. In addition, we have taken a series of actions to unblock bank lending to small and medium-sized enterprises—the point that the hon. Member for Montgomeryshire (Lembit Öpik) made—although I believe that more is still to be done on that. Nevertheless, figures show the effect that the global economic slowdown is having on our labour market. Every time a worker loses their job, it is a personal tragedy, and we are doing all that we can to support people through these tough times.

Mr. Peter Hain (Neath) (Lab): Will my right hon. Friend speak with those who are responsible for setting the precept for the South Wales police force? The chief constable gave MPs and AMs a briefing on this matter, which I attended. She has asked—reasonably in my view—for a 10-year 10 per cent. increase. That would amount in total to about £13 a year on bills. The difference between what has been allocated and what she is asking for is about 2p a day. I think that my constituents are willing to pay that to keep more police officers on the beat and to see more neighbourhood policing. Why should the precept for South Wales police continue to lag behind by about £50 compared with North Wales and £30 compared with Gwent and Dyfed-Powys? I would be grateful if he used his good offices to influence a resolution of the problem.

Mr. Murphy: Like my right hon. Friend, I have spoken to the chief constable on this subject. She came to London a few weeks ago to discuss that and other matters, and he and I were present at that meeting, here in the House of Commons. Next week, when I meet the Home Secretary, I will raise these issues again. There is a strong case for South Wales police, because it is not only the biggest police force in Wales, but covers our capital city, where major events take place.

The Government have invested £1.3 billion in Jobcentre Plus. Those investments are working alongside the policies that the Assembly is advancing—ReAct and ProAct. The ProAct scheme, in particular, has been of great interest, not just in Wales but beyond. That programme has started very speedily and is backed by European funds. Take-up is now starting—in the past few days, at least two companies have been given a ProAct grant, and 15 others are in the process of having their applications considered. It is a uniquely Welsh programme that is very useful in ensuring that people are retained in their industries during the slowdown so that, when the changes eventually come, their industry is not badly affected and will continue, perhaps even stronger than before.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): I am interested to know how ProAct is working. The "Real help now" document produced by the Welsh Assembly says that the scheme was funded by the Assembly. Can the Secretary of State confirm that the money is coming from the Assembly, not through European funding? More importantly, I gather that it is a pilot scheme from January to March and that it was supposed to focus initially on the automotive industry. I would be interested to hear about the quantitative outcome—what it has done for that industry and how many jobs has it saved. If there are good lessons to be learned from Wales, they must be passed on to the rest of the country.

Mr. Murphy: The hon. Lady is right to ask those questions. I hope that I will be able to give her a bit more detail in the course of the next week or so. As I said, two companies, one in Welshpool and one in Llantrisant, are receiving help, and 15 are under consideration. She is right to focus on the automotive industry, which is quite big in my own constituency, where workers have been put on to a three-day week because orders are not coming in—people are not buying cars, and if they are not buying cars they are not buying brakes. Ultimately, therefore, we need to ensure that manufacturing continues for when the good time comes.

On the financing of the scheme—

Mr. Roger Williams (Brecon and Radnorshire) (LD): Will the Secretary of State give way?

Mr. Murphy: Just one second—I am still answering the hon. Lady.

The bulk of the financing comes from the European social fund as a direct consequence of what was initially objective 1 funding, but other money—for example, the money put into apprenticeships—comes from Welsh Assembly funds. The scheme could be replicated elsewhere. I know that the Prime Minister is very interested in it and has given the details to the Secretary of State for Business, Enterprise and Regulatory Reform.

Mr. Williams: I thank the Secretary of State for giving way and apologise for intervening at an inopportune moment.

I understand, in a way, why we have to keep production going in the automotive industry, but surely the key is to get customers to buy the cars? At the moment, we are keeping production going and just building up stocks of unsold cars that are overhanging the market, but what we need are customers with confidence. Getting the banks to lend to individuals as well as businesses is key to that, is it not?

Mr. Murphy: It certainly is. I am buying a car myself this Sunday.

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): Someone is doing all right, then.

Mr. Murphy: I have had to go to the banks as well.

The hon. Member for Brecon and Radnorshire (Mr. Williams) makes an important point. There is an argument, for example, that we should be involving finance companies that deal with the car industry. That is superficially attractive, but we must bear in mind that that most cars nowadays—86 per cent., I think—are not made in Britain. In a sense, we are financing other countries by doing that, although that is perhaps an

over-simplification. It is not an easy issue. However, his general point—that we must somehow encourage people to buy cars—is valid.

Lembit Öpik: The Secretary of State is aware that Flowform in Welshpool has shut rather suddenly and Stadco in Llanfyllin is planning to lay off 106 workers, in both cases as a direct result of the companies to which they supply car parts reducing their business. What can the Government do to support those jobs, or does the right hon. Gentleman think that we will just have to find re-employment in other sectors for the individuals who are losing their jobs?

Mr. Murphy: The Government can help in a variety of ways not only companies, but the people who need retraining in the course of the job itself or, if the business unfortunately goes under, training for other jobs. There is a variety of schemes. If the hon. Gentleman looks at "Real help now", he will see at least 30-odd schemes that can help people in different ways. Ultimately, of course, some companies will not survive, but that might well happen in other times too. The question then is whether there are alternatives for people.

I know that it is not particularly easy in rural Wales because of the nature of the communities there, but it is important always to ensure that, whatever happens, we help the person by retraining and re-skilling or by finding them another job. That is why I touched on the extra money that the Department for Work and Pensions is putting into Jobcentre Plus. There are still roughly 20,000 vacancies in Wales. Of course, they do not always fit in terms of geography and type of job when a company goes under, but it is worth remembering that there are jobs out there that we need to tap into.

Mr. Crabb: The Secretary of State is arguing that there is a unique partnership at work between central Government and the Welsh Assembly Government to protect Wales as best we can from the global economic crisis. Does he share my concern that all the statistics and data coming out of Wales at the moment show that job losses, company failures and the downturn are just as bad in Wales as right across the UK? If so, what does he think is the value of all the extra schemes that he has spent his time talking about?

Mr. Murphy: If things are worse in Wales than elsewhere, it is much more important to have more schemes to help people, not least schemes such as ProAct. That scheme is uniquely Welsh, partly because the money that has come into it from European objective 1 and convergence funding came uniquely to Wales as a consequence of the British Government negotiating that deal, and partly because that deal is delivered to the people of Wales through the Welsh Assembly. That would not have happened elsewhere.

There is a strong case for people in Wales looking to their directly elected representatives in Cardiff, as well as here, to help out. We are able to have our summits and to listen to people in a way that perhaps could not happen in a country of 50 million people, but can happen in a country of 3 million, and that gives us the opportunity to have that free flow of information between us. There is also the possibility of having very localised summits—almost every local authority in Wales is thinking about an economic summit of its own, and some have already held them. In Newport, in my own authority in Torfaen, in Flintshire and in Anglesey, the local community is looking at how it can help itself in different ways. Local authorities can help considerably to alleviate difficulties in the local area.

Mr. Philip Dunne (Ludlow) (Con): The Secretary of State has been regaling the Chamber with tales of the work that the Government are doing to try to help preserve jobs in private sector entities, but would he reassure the House that he has put in the maximum effort for Government-owned agencies? I am thinking of the Nuclear Decommissioning Authority, which has been determined to press ahead with the closure of the Wylfa nuclear plant, despite the vigorous efforts of the local MP, the hon. Member for Ynys Môn (Albert Owen), who is in his place. He has tried to intervene with the Secretary of State to keep that power plant going to preserve jobs in the area.

Mr. Murphy: I understand that there has been an announcement today on the extension of Wylfa, but I have worked closely with my hon. Friend the Member for Ynys Môn on the issue, and the hon. Member for Ludlow (Mr. Dunne) makes a valid point. We have to keep on talking vigorously to all the agencies that are in a position to engage and deal with employment in Wales and he can rest assured that we are doing precisely that.

David T.C. Davies (Monmouth) (Con): I am very grateful to the Secretary of State for giving way; he is being generous. Could he reassure people in my constituency who have heard a rumour, which I hope is completely incorrect, that the original Severn bridge is suffering from a certain amount of degradation and that there might be plans to close it? Could he assure the House that that is not the case at all, and that the community of Chepstow is safe and will always be able to travel to Bristol across that bridge?

Mr. Murphy: I cannot give a reassurance about rumours, but I will certainly take the issue up with my right hon. Friend the Secretary of State for Transport and find out whether there is any truth in the rumours that are obviously going around the town of Chepstow. That is the first I have heard of the matter, but I will certainly take it up.

Adam Price (Carmarthen, East and Dinefwr) (PC): The generosity of the Secretary of State knows no bounds. I think that almost everyone has intervened now.

The Secretary of State mentioned the importance of the economic summit. I was wondering what plans there are for members of the board of United Kingdom Financial Investments, which holds the Government's stake in the partly nationalised banks, to come to Wales to hear the experiences of businesses there. There are examples in my constituency—I am sure that this is true for other hon. Members—of businesses that have been badly treated by banks in which the Government have a stake. Could representatives of UKFI come to hear first hand the experiences of businesses in Wales?

Mr. Murphy: That is a good idea, and I will certainly follow it through. The Deputy First Minister of Wales, with whom the hon. Gentleman has some connection,

[Mr. Paul Murphy]

was talking to me only last week about getting the heads of the banks in Wales to come together to talk about banking practices and other issues raised by hon. Members, and I shall take that point up.

Mrs. Gillan: Could I press the Secretary of State to give us more details on the announcement on Wylfa? I have seen an announcement, but I thought that it related to two sites in Cumbria with RWE, and that it merely referred to Wylfa. I am not sure whether the extension to 2014 is wishful thinking or whether it has been confirmed today, and I would be grateful if he elucidated.

Mr. Murphy: The Under-Secretary of State for Wales, my hon. Friend the Member for Caerphilly (Mr. David) will give more detail to the House when he makes his winding-up speech. I do not want to give information that is inaccurate in any sense, so I shall make sure that my hon. Friend deals with Wylfa in that speech.

I have two other things to mention as far as the economy is concerned. The first is the announcement by RWE npower of plans to treble the size of its carbon capture pilot project at Aberthaw from 1 MW to 3 MW. Subject to planning permission, the construction of the £8.4 million project will begin later this year, with plans for the pilot to be fully operational by 2010. That is good news for us in Wales. It is the first pilot plant in the United Kingdom to capture carbon dioxide directly from a commercially operating power station. It will also provide a boost to the local economy and, given that the economy of our country is historically based on coal, it is excellent news for us.

The other issue I wanted to mention, given that my hon. Friend the Member for Aberavon (Dr. Francis) is in his place, is the important work that his Committee did on globalisation. Everybody should read the report in question, and I would like to draw one part of it to the attention of the House:

"In the course of this inquiry, we have collected numerous examples of innovative practice in Wales, spanning the full range of economic sectors. These examples demonstrate that, despite the present difficulties, Wales does have the essential ingredients necessary to face the challenges of globalisation."

That message from my hon. Friend's Committee is a good one.

Albert Owen (Ynys Môn) (Lab): On the economy, I am sure that my right hon. Friend will join me in welcoming today's announcement by PV France to locate a bakery in Anglesey, creating 105 jobs. That was done working in partnership with the local authority and the Welsh Assembly Government's single investment grant. Although the Secretary of State is right to concentrate on the economic downturn that is affecting the real economy in Wales and elsewhere in the United Kingdom, and the support mechanism, there still are some good news stories, and those 105 jobs in my constituency are to be welcomed, particularly given our aims towards the Irish market.

Mr. Murphy: That is excellent news for my hon. Friend's constituency and his constituents, and I congratulate him. It is good to hear about such events.

I turn to another important issue that the Select Committee on Welsh Affairs is dealing with, which is the Welsh language legislative competence order. I have presented the proposed Welsh language order to Parliament for pre-legislative scrutiny, and I hope that hon. Members will urge their constituents to have their say on the proposals. I want to see the biggest public debate on the Welsh language of recent years, and to hear from all sectors of society in Wales—the public sector, business, the voluntary sector and the general public—to ensure that the draft order meets the needs of the people of Wales.

When the order was published some weeks ago, some people thought that I was somewhat lukewarm on the issue of the Welsh language LCO. Indeed, this was referred to in Mr. Vaughan Roderick's blog—which is of course written in Welsh, but has been translated for me because we have a very good Welsh language scheme in the Wales Office—in which he says:

"Paul Murphy's press release on the Welsh language LCO was rather lukewarm. He said more consultation was needed and that the order could change. To use his words, 'it is not set in stone.'"

Apparently, some Labour Assembly Members were amazed by the release, but it is not the Secretary of State that is to blame:

"Don Touhig is the problem. One said, 'Don is Paul's best friend, and they spend a lot of their spare time in each other's company, and with their families, and they go on holiday together like brothers.'"

So what I have to say on the Welsh language order is all the fault of my right hon. Friend the Member for Islwyn (Mr. Touhig).

In reality, we have come a great distance in the past 20 or 30 years on the Welsh language in Wales. When I was a lad, no one was taught Welsh in Gwent—it was not on the curriculum. In my constituency today, I have three Welsh-medium schools: one secondary and two primary. Every child in Wales, and in my constituency, is taught Welsh. The best way to develop an interest in the Welsh language is for people to learn it, and for them to be taught it—that is the challenge. The best way forward, as with everything else in this regard, is to move forward by consensus. There should be a consensus among the people of Wales that we have a sensible way forward, and we should give the Welsh language an opportunity to flourish, which of course it should.

By asking people in Wales their views on the Welsh language order, we are giving them the opportunity to express their views on a detailed document, on which this House will eventually have to decide to vote. It will do two things. It will give the opportunity to all people—particularly those affected by the order—to make their views known, and it will also mean that we can explain to people and reassure them about what is not in the Welsh language order. Some of the mixed correspondence that we are all getting does not reflect what is likely to be in the order. It is a draft order, which means that the Welsh Affairs Committee, chaired by my hon. Friend the Member for Aberavon, will have a proper opportunity to examine it. In doing so, it will talk to people in Wales who are involved in the matter. The Assembly itself will be able to do exactly the same thing. I have sent letters today to public bodies and others in Wales, and I will share any results of the consultation with the House and with our colleagues in the Assembly, so that we can come to a proper decision.

Mrs. Gillan: The notes that the Secretary of State has sent out accompanying the draft order set out possible effects on institutions that go beyond the Welsh borders. For example, the BBC is specifically mentioned as falling under the Communications Act 2003, and of course any Government Departments delivering services in Wales would be included in the requirements, because they would exceed the £200,000 limit. Will he consider extending the consultation to his colleagues in other Departments and to organisations such as the BBC? It seems to me that there could be an effect on both sides of the Welsh-English border and further afield in the UK.

Mr. Murphy: Government Departments do of course have the opportunity to comment upon legislation. The BBC will submit a view through BBC Wales, and if it wants to comment on effects on business or broadcasting across the border, there will certainly be an opportunity. Ultimately, the consultation is about listening to people and ensuring that when we eventually introduce the order it is watertight, means what it says and is the result of the most widespread public debate possible in Wales. That is very important.

David T.C. Davies: Is not the real problem that no matter what goes into the final order, the Welsh Assembly will end up with the power to make legislation on the Welsh language, and there will be no input from Members of this House?

Mr. Murphy: The order will define the parameters of what the Welsh Assembly is able to legislate on. It will state—giving considerable detail, unlike a lot of legislation—precisely what such future legislation can deal with. The establishment of a Welsh language commissioner is one example, and it is generally supported. I suspect that we will get the most letters on the issues that affect business. However, as I said earlier, the idea that a small corner shop or a small business will be affected is wrong. Certain matters might need closer and tighter definition so that we do not capture people who are not intended to be covered by the order.

A lot of the bodies mentioned in the LCO already have sophisticated Welsh language schemes, so it will almost rubber-stamp what they already do. Nevertheless, if there are genuine concerns about aspects of the order, whether from business or the public, there will be an opportunity for people to make their views known. I very much welcome that.

Importantly, individual Members of Parliament and of the Assembly can also hold their own consultative processes. For example, I see from yesterday's *Daily Post* that Lesley Griffiths, the Assembly Member for Wrexham, has invited people to have their say on the Welsh language and write to her in her role as a member of the Legislation Committee. That is the right thing to do, and people throughout Wales will have the opportunity to discuss the legislation.

The partnership that I mentioned earlier is very important for the people of Wales. Interestingly, the British-Irish Council met last Thursday and Friday in Cardiff, and we were able to share best practice in all parts of the UK and Ireland. For example, the Assembly Government pioneered the creation of a Children's Commissioner and free bus travel for the over-60s, to which I am now happily entitled. We have copied those things in England. Wales has learned from the experience of England how to reduce waiting times for hospital treatment, among other things.

Ultimately, we serve the same people. Today, our annual opportunity to discuss Welsh matters enables us to ensure that, together, we serve the people whom we represent, whether we sit on a local authority, in the Assembly or in this House. We can ensure that the people of Wales are more prosperous as a result of the joint policies of both our Parliaments.

2.25 pm

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): First, I thank the Secretary of State for his kind words to David and Samantha Cameron and their family on the death of their son, Ivan. We all share his thoughts, and David will be able to see that the Secretary of State speaks on behalf of Wales in passing on those best wishes to him on this sad occasion.

I apologise to the Under-Secretary of State for Wales; sadly, I will not be here for his winding-up speech and his exchange with my hon. Friend the Member for Clwyd, West (Mr. Jones). I mean no discourtesy; my timetable has become a little hectic today, and I will be on my way to Wales when he addresses the House.

I should like to continue in the spirit in which the Secretary of State opened this St. David's day debate. Since we last celebrated St. David's day, some things have not changed in Wales. First, the brave men and women of our armed services are still defending our interests abroad. My hon. Friend the Member for Aldershot (Mr. Howarth) will be visiting the Welsh Guards based in his constituency, who I understand will shortly depart for Afghanistan. I am sure that, on St. David's day, all our thoughts are with them and their families. All our thanks go to the Welsh men and women who are serving our country so bravely abroad in our armed services.

I am delighted that we have something else that has not changed—a rugby team on the rise, with the prospect of a second consecutive grand slam. I am delighted that the hon. Member for Ynys Môn (Albert Owen) has new baking facilities in his constituency and brand new jobs. I hope that they are not making French bread—as the Secretary of State said, I hope that they are making Welsh cakes instead. We have had another set of elections since the last St. David's day, and I am pleased to say that yet more people in Wales chose to vote Conservative as they sought change through the ballot box.

The Secretary of State is right, however, to say that what has changed dramatically is the economic outlook. We have not compared notes, but I think that he will find that my speech takes the same shape as his, with remarks on the economy in Wales followed by remarks about the Welsh language order. Some 28,000 more people have lost their jobs, and we now have more than 100,000 people out of work. Many thousands of 16 to 24-year-olds are not in work, education or training, which is exceedingly worrying. A significant number of businesses both large and small have closed, and sadly house repossessions are rising. Although that is clearly not confined to Wales, or even to the United Kingdom, the effect on Wales, as the poorest region of the UK, is especially great.

[Mrs. Cheryl Gillan]

The first priority must be to help families and businesses in the short term. We would like taxes to be cut for savers and pensioners, a bold and straightforward national loan guarantee scheme to get credit flowing, a reduction in employment costs for small businesses, tax breaks for new jobs and a six-month delay in VAT bills to help small businesses with their cash flow. We believe that such practical measures could help our beleaguered economy.

The "Real help now" list, which the Secretary of State produced with the Assembly Government, sets out various measures and schemes that the Government have established. Of course, the Secretary of State also referred to his summits. However, the documents and the meetings, although they are well intentioned and establish a plan, do not appear to save many jobs or halt business closures at the moment. Today, the Government are putting many more billions of pounds into our banking system, and that is hard news for businesses that are closing and those whose jobs are threatened in Wales.

As has been said time and again, a credit crunch can be truly tackled only by addressing the problems of credit and getting money flowing to the business front, instead of the current sclerotic position, whereby nothing moves to help businesses. A bold loan guarantee scheme, such as that suggested by my right hon. Friend the Member for Witney (Mr. Cameron), would be welcomed throughout the country. While we tinker at the edge of the problems with so many of the schemes in "Real help now", large sums go into the banking system, and the bankers appear to sit back in relative comfort, without apologising for their part in our economy's downfall.

David T.C. Davies: Will my hon. Friend recommend an early-day motion, which I tabled and many Labour Members have supported? It suggests that the directors of banks that have received large amounts of public money should publish their expenses in the same way as Members of Parliament, given that they now live off public money.

Mrs. Gillan: My hon. Friend is well known for his innovative early-day motions and other matters, but individual Members are responsible for appending their names to early-day motions. I would not presume to tell others what to do, but, if the mood takes them, I suggest that they look closely at that early-day motion because it probably has some merit.

I would be interested to know—I am pleased that the Secretary of State said that he would get back to me—how many businesses the proposals have helped; how many extra jobs they have created in each of the past three months in which they have been operating; how many people have been diverted from the unemployment register into work; and how many jobs have been saved. I hope that hon. Members will forgive me if I am cynical, but I believe that, at this stage, few have been saved. Unless we quantify those items of help, we will not understand how we can start to bolster and improve our economy, save the jobs that we can and create a climate for future employment.

Mr. Hain: The hon. Lady mentioned Conservative policy on banking. Has she read the letters page in today's *Financial Times*? Tom Brown, senior credit executive at Norddeutsche Landesbank, finds it especially disconcerting that the shadow Chancellor is revealed as a man who does not have

"the haziest grasp on the cause of the crisis"

or how banks work. If the hon. Lady is taking advice from the shadow Chancellor, surely those comments are devastating.

Mrs. Gillan: The right hon. Gentleman obviously has more time on his hands than I have. What with preparing for the debate, for a television programme on which we will both appear later today and my private Member's Bill on autism, I have not had time to scan the papers. However, I am sure that the right hon. Gentleman remembers the remarks that some foreign politicians made about Labour Front Benchers, which I am too much of a lady to repeat.

After prioritising help and removing the blocks on lending, I am sure that the Secretary of State agrees that we have a duty to look long term to ensure that Wales can emerge from the recession with the tools to flourish and prosper. To do that, we must make some major fundamental strategic plans rather than going for quick fixes or cheap headlines.

Wales has fantastic natural assets and an enthusiastic and committed work force, as we all know. We must make the most of our assets and transform Wales into a country to which people can flock once again to do business and take their well-earned holidays. I want to consider some matters to which we need to give genuine attention to give Wales that competitive edge.

Lembit Öpik: Will the hon. Lady give way?

Mrs. Gillan: I will, although I hope that the hon. Gentleman will make a contribution later. He usually intervenes and leaves.

Lembit Öpik: I am grateful for the hon. Lady's generosity and I shall try not to storm out in a fit of pique.

Does the hon. Lady agree that the fees that the receivers and administrators charge when a company closes are stupendous? They can be up to £760 an hour for an individual member of a company's work force. Does she agree that one of the problems that arise when a company shuts is that a significant proportion of the assets, which the staff would reasonably like to go towards their pensions and paying their debts, go to the receivers?

Mrs. Gillan: The hon. Gentleman does not need my endorsement of his opinion on accountants' fees for dealing with bankruptcies or receiverships—he has made the point himself. He will know, however, that there is an awful lot of such business, so those firms will be making good profits.

I want to deal with those things that will give Wales a competitive edge when the country emerges from recession, as it will. As the Secretary of State knows, we should have such a debate between Westminster and Cardiff bay, because it is essential for the health and welfare of the Welsh economy that we co-operate at both ends of the legislative spectrum, as it were. We need to prepare Wales for the upturn.

Let me deal first with transport. If Wales is to attract further investment, whether domestic or overseas, businesses must not feel isolated from other parts of Wales and the UK or from Europe or beyond. The journey from north to south Wales is still a great undertaking. The journey from Bangor to Cardiff by rail still takes more than four hours, which is almost an hour longer than it takes from Bangor to London. Although we should acknowledge the obvious geographical constraints, we must have long-term plans to increase accessibility to and from Wales and within Wales.

With increased line speed, the rail freight network along the M4 corridor could carry more volume if more goods came in through Welsh ports. The ports deserve support. I am particularly concerned—perhaps the Minister could deal with this when he winds up—not only by the Government's decision to recalculate, and thus effectively to raise, port taxes, but that this should be done retrospectively. That will place an added burden on a crucial part of the Welsh economy. Our road, rail, maritime and air links must all be maintained and enhanced to provide those valuable links to the worldwide market.

As geography makes travel within Wales more arduous, it is vital that modern technology and infrastructure should help to compensate. Broadband coverage and speed need some attention, as I am sure the Secretary of State knows. At present we do not have 100 per cent. coverage, and the prominent "not spots" in mid-Wales effectively isolate those rural communities, in terms of modern business potential. The Government recently said that they wanted every home to have access to broadband at 2 megabytes a second at least by 2012. However, with average connection speeds of 2.9 megabytes a second in parts of Wales already and with technology being developed with much greater speeds in mind, we need to set our sights higher to give us the competitive edge. That will be crucial in Wales if we are to attract inward investment and stimulate business development in areas such as rural mid-Wales. I understand that the Secretary of State has responsibility for digital inclusion, so I hope that he will be able to give Wales the edge in speed and infrastructure that would help us to secure our future businesses and give us those first-class electronic links.

Energy is another thing that we must consider. I welcome the Aberthaw announcement today. The strategy is critical in terms of both security and its impact on the local economy and the environment. The power station at Milford Haven is welcome. I have sung the praises of the liquefied natural gas pipeline linking Milford Haven on many occasions. That pipeline was delivered on time and on budget, and I am still so proud of it as a piece of British engineering, because it will contribute hugely to our energy security.

John Smith (Vale of Glamorgan) (Lab): Will the hon. Lady take this opportunity to endorse the view expressed by the Leader of the Opposition the week before last that we should have an open mind on the prospect of a Severn tidal barrage?

Mrs. Gillan: I will come to that in just a second. Before I do so, let me say that we need an energy strategy that reflects Wales's potential, that will include looking at the short list of options for the Severn barrage that have been announced. Any barrage, as we all know, will have positive and negative effects in respect of energy production and environmental impact. We need a rapid evaluation process, because there is no doubt about the potential. We have been talking about the barrage for an awfully long time without finding out exactly what should be done to capture renewables through the resources provided by the River Severn.

Mr. Roger Williams: The LNG pipeline might have been an engineering success but it has caused considerable environmental damage. Does she agree that when licences are awarded for large infrastructure projects, the environmental consequences should be much more at the forefront of the concerns of Government agencies?

Mrs. Gillan: No, I do not agree. I have flown along the pipeline and have met and talked to the chief engineer. I was exceedingly impressed by the amount of repair work and by the care that was taken with the environment. There were some absolutely stunning pieces of engineering in and around rivers and other areas of sensitivity. Some heavy negotiations had to be undertaken with a large number of landowners before the pipeline could extend across its chosen route. I think that the hon. Gentleman will acknowledge that anyone going anywhere near the pipeline cannot see it in many places. I therefore do not agree with the hon. Gentleman to that extent, but I have to say that no project should go ahead without an attempt to minimise its environmental impacts in every possible way. If Wales is to remain competitive, we must have a strategic energy policy.

Mr. Crabb: My hon. Friend responded very well to the point made by the hon. Member for Brecon and Radnorshire (Mr. Williams). She is exactly right that, yes, there was disruption when such a large and significant piece of engineering was put in place, but the quality of the reinstatement has been absolutely fantastic. I speak with experience, because the pipeline passes just beneath my back garden.

Mrs. Gillan: I am grateful for that intervention.

Adam Price: The pipeline also goes through my constituency, so I know that it has caused a scar across the length and breadth of Wales. There was a lack of democratic accountability for it, and some of the hon. Lady's English colleagues were instrumental in trying to oppose the plan. Is not the crucial point that although it may have improved energy security in the UK, most of the gas is not even available to customers in Wales? Should not energy decisions in Wales be made for the benefit of Wales, which was not the case with the LNG pipeline?

Mrs. Gillan: I am sorry but the hon. Gentleman reveals his isolationist credentials. I cannot agree with him at all. First, pipelines work both ways. Secondly, Wales is part of the United Kingdom, and if we pursue the hon. Gentleman's insular "little Wales" attitude in today's world, we will simply isolate the country from the rest of the world.

David T.C. Davies: I am grateful to my hon. Friend, who is making a very important point. Does she agree that if we followed the logic of the hon. Member for

[David T.C. Davies]

Carmarthen, East and Dinefwr (Adam Price), we would have no pipelines anywhere in the world to supply oil or gas across different nations?

Mrs. Gillan: I would have to differ from my hon. Friend in that I do not think that the hon. Gentleman was exhibiting any logic—logic of any worthwhile status anyway!

The Secretary of State knows that I think we need to secure future nuclear generation at Wylfa. It is not only a vital element of the UK's energy production, but is of huge importance to the economy and jobs in north Wales. I shall be interested to hear what the Minister says about this debate in his concluding speech.

Tourism is another element that we need to consider. In recent years, there has been a huge shift towards employment in tourism. It makes up 3.3 per cent. of the economic value added in Wales. The industry employs, directly or indirectly, nearly 80,000 people, and £1 in every £10 spent in the transport and retail sectors in Wales is spent by visitors. It is a key area, but our share of both UK and international tourism fell in 2007, which cost the Welsh economy an estimated £267 million.

With environmental awareness and pressure on family budgets increasing, there is a clear opportunity for our Welsh tourist industry. This year is the 60th anniversary of the legislation that enabled the creation of our parks. Why travel abroad when our fantastic natural assets—our coastline, forests, lakes, mountains, terrific national parks and our warm welcome—could attract visitors who will be persuaded to return year after year, even as the financial situation improves? We really need to capitalise on those assets; we require a robust tourism marketing strategy to attract visitors now and maintain their numbers in future.

Albert Owen: I hope to catch Mr. Deputy Speaker's eye and speak on the Wylfa issue a little later, but on tourism, given the economic crisis and the weakness of the pound, is there not an opportunity to encourage people from European countries, particularly the Republic of Ireland, to come to Wales over Easter? The hon. Lady talks about a robust policy; should not Visit Wales capitalise on that, and show what good value for money the United Kingdom and Wales are at this time?

Mrs. Gillan: The hon. Gentleman and I could appear in a commercial for Wales on that front. We should be taking that message across Europe. What with the Ryder cup, the Olympics coming to the United Kingdom, and our rugby team, it is important that we sell Wales everywhere. We do not want the benefits to be felt only in and around the millennium stadium, the venues involved in the Ashes, or the golf course for the Ryder cup. We want the benefits to spread throughout Wales, but unless we have a comprehensive strategy, that will not happen. People will come to Wales, spend in a little, closed area, and then disappear again. We need a comprehensive strategy. A Welsh Tourism Alliance report last year recommended that liaison between the tourism industry and the Welsh Assembly Government be dramatically improved. It is only through co-ordinated action that we can ensure that adequate support is given to that vital industry at this vital time.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): My hon. Friend will know that the vast bulk of tourism to mid-Wales goes through Shrewsbury. On the A5-A49 roundabout, which is called Dobbies' island, huge delays are caused by caravans going to Wales on bank holidays and at peak times in the summer. I hope that when we are in government, before too long, she will work with me to ensure that there is investment in that roundabout to improve the flow of traffic to Wales.

Mrs. Gillan: My hon. Friend makes a good point on behalf of his constituency but I give him an assurance that, while I hold this post, whether in government or opposition, I will always work in the interests of Wales. That is at the forefront of my mind.

To prepare for an economic recovery, we must address the matter of higher education in Wales. First, it seems incomprehensible that, at a time when thousands of people are retraining, or trying to prepare themselves to enter a difficult jobs market for the first time, there are plans to slash the further education budgets in Wales by £3 million. I ask the Under-Secretary to refer to the issue in his wind-up. Again, it is a devolved matter, but in view of the economic circumstances, I think that we in this House can show concern.

As we all know, Welsh universities are some of the best in the world, and are an essential tool in building up Wales for the future. In recent years, however, the funding gap has become a great problem—there is a £61 million funding gap between English and Welsh universities—and there is now significant pressure on facilities. As the universities try to compensate with increased numbers, there is the possibility as the student-teacher ratio becomes increasingly less favourable of diminishing educational standards. I am therefore concerned about the issue.

Secondly, I am concerned about the portability of qualifications, an issue on which the Welsh Affairs Committee has just reported. It is absolutely vital that any qualifications gained in Wales, particularly vocational qualifications obtained in-house, are transferable and recognised outside Wales, as any failure in that regard will severely damage the prospects of attracting international businesses, which will want to recruit staff who can use their qualifications in other parts of the United Kingdom and internationally in Europe.

Thirdly, we need to ensure that we have the necessary skills base in Wales to attract business, particularly in the light of the growth of the high-tech industries and the decline of the manufacturing sector. If we are to do that, it is essential for us to take account of the needs of industry by forging much closer links with business leaders in all sectors across Wales.

In areas such as aerospace we are a world leader in our skill and technology base, but we cannot take those areas for granted. GE Healthcare is a world leader, but we have lost invaluable skilled jobs from its factory in Wales. We need to ensure that we create the right conditions for key industries to thrive. I want to see evidence of clear strategies to attract and maintain the businesses of the future: scientific and industrial strategies, almost like the old foresight strategy of a few years ago, which the Minister may remember. That includes securing the delivery of the St. Athan project, which has been along a very bumpy road.

John Smith *rose—*

Mrs. Gillan: If the hon. Gentleman will forgive me, I should like to make a little progress. I am sure that he will make his own speech, and will press the case for a project that he has championed relentlessly. I should like to hear from the Minister what progress is being made on it.

While preparing people and the business environment for the recovery, we must also ensure that we do not erect barriers—tariff or non-tariff—to new ventures.

It is essential that we examine the recently published Welsh language legislative competence order, to which the Secretary of State referred, and which is a matter of concern to some businesses in Wales. Conservatives have a proud record on the Welsh language, and are committed to its growth. Every piece of legislation that has strengthened the language has been Conservative-led, including Lord Roberts's excellent Welsh Language Act 1993. Many businesses are already making enormous strides to provide information in Welsh, and we must encourage those efforts through a culture of shared responsibility rather than heavy-handed bureaucracy. We must ensure that the devil is not in the detail of the LCO, which should be examined closely both across the House and, as the Secretary of State reaffirmed, more widely.

Some may question our call—I think it is a joint call—for closer scrutiny of the order, but we must ensure that there are no unnecessary burdens on business, and that the good will towards the language is maintained at this time of enormous economic difficulty. We must put the interests of the people and businesses in Wales—especially in these tough economic times—at the heart of any decisions on linguistic policy.

I am also concerned about the way in which the LCO will be scrutinised. I hope that the Secretary of State will devote some of his time to examining the way in which the scrutiny process will develop. There is some concern about the possibility that the House and the Welsh Affairs Committee will start to scrutinise the order while recommendations for change are being made in the Assembly. I hope to have a meeting with the Secretary of State to discuss whether, instead of conducting our investigations in parallel, we could conduct them sequentially, so that we can be sure that the document being examined by the Select Committee here is the one recommended by the Welsh Assembly Government.

Transport, education, energy, electronic communications, tourism and, perhaps most of all, not creating unnecessary barriers or burdens for business should help to position Wales for the upturn. We share a common aim in wanting to help families and businesses in Wales to come through the current financial difficulties. I hope that the Secretary of State will work closely with the Welsh Assembly Government and with his colleagues to ensure that Wales is in the best possible position to take advantage of the upturn when it comes. We need forward thinking and strategic planning. I think that by looking at our longer-term goals as well as dealing with our short-term problems we can ensure that Wales comes through these difficult times with the means to succeed in the future.

I want to end on a positive note for St. David's day. I think we in Wales will have our "we can do" moment. I believe that our businesses and people can work hard, and that we can create the right climate for inward investment—and I look forward to having the opportunity, on another occasion, of being able to read out all the job gains and inward investment coming into Wales, rather than having to spend time concentrating on the job losses and the businesses that have gone.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. Before I call the next Member to speak, may I remind the House that Mr. Speaker has placed a 12-minute limit on Back-Bench speeches, and that that starts now?

2.55 pm

Dr. Hywel Francis (Aberavon) (Lab): I wish to make a contribution to this debate from two perspectives: that of an individual Member—for Aberavon—and that of Chair of the Welsh Affairs Committee. The perspectives and priorities are much the same—they follow those outlined by my right hon. Friend the Secretary of State for Wales—and they are clearly about the economy, both local and global; nothing is more important to the people of Wales.

In my constituency, manufacturing—in particular, steel—is the dominant sector. In my roles as a member of the all-party steel and cast metal group, and secretary of the steel union community parliamentary group, I have had regular meetings with Ministers, unions and Corus, as well as my local authority. I have been impressed by the fact that there is a universal desire to retain both the steel industry and, equally importantly, the skills within that industry. I particularly congratulate the Welsh Assembly Government and the Secretary of State for Wales on the work that they have done through the Welsh economic summits, and, more widely, the steps that they have taken to establish the ProAct and ReAct initiatives. I am also looking forward to the local economic summit that will be launched in Neath-Port Talbot very soon, and I know that similar initiatives are taking place across Wales, which is most welcome; my hon. Friend the Member for Ynys Môn (Albert Owen) is taking a leading role in his local economic summit.

In the course of evaluating the impact of the economic downturn on my constituency, I have visited several small businesses. I recently met the management and work force at two important small companies: Excel and Rhino Engineering. They are both cutting-edge manufacturing companies which are appreciative of the information and guidance being provided by the Government, and particularly the circular letter that the Secretary of State for Wales recently sent to Members, copies of which have been passed on to many businesses in my constituency. The two companies have also benefited from significant contracts for the 2012 Olympics and Paralympics to be held in London.

Looking cautiously to the future, I have been struck by Tata's continued expressions of support for local communities in my constituency and the backing that it has given to the Corus steel plant, as well as by the fact that it is seriously examining the possibility of developing the new Margam drift mine—a project that, as one would expect, has strong support from the National Union of Mineworkers and other local unions.

Again looking to the future, it is encouraging to see that employers' organisations such a the EEF and UK Steel and unions such as Community are looking beyond the current difficult circumstances, talking up the need

[Dr. Hywel Francis]

for greening the economy, what they call a nuclear renaissance and its links to steel, and ultra-low carbon steel-making, turning theory into what they call practical reality.

Turning to the work of the Welsh Affairs Committee, which I have the privilege of chairing, I should at the outset pay tribute to all its members and staff for their sterling work over the past year. Its work load has virtually doubled in the recent period, and I am pleased to announce today that over the past year we have succeeded in getting significant improvement in staff support to take account of this increased work load.

Our annual report, which will be published tomorrow, outlines the growth and range of our activities. The Committee's profile has also been raised both here in Westminster and in Wales, and on balance, we should welcome that. One kindly journalist compared my Committee to that benign institution the Commonwealth games. One Assembly Member generously suggested that we should serve on only one Select, or any, Committee—on just our own Committee—a suggestion that I found helpful.

One hon. Member, a great supporter of our Committee and one-time member of it—the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd), to whom I sent a message earlier today; I understand that he is on his way to Cardiff—gave some advice on how I should run my Committee. He suggested that I should crack the whip. I am grateful for his advice, but that is not my style and I do not think it the style of any Chairman of a Select Committee. We work by consensus and consent—a more inclusive approach. Ours is not the style or the language of the slave-driver.

Albert Owen: Was my hon. Friend as disappointed as I was, as a member of that Committee, to read those comments from the leader of Plaid Cymru in a national newspaper? If somebody has suggestions or ideas for a Select Committee, writing to the Chairman is the normal convention.

Dr. Francis: I am sure that the hon. Gentleman will read the account of what my hon. Friend has just said. We have had an interesting discussion about the matter, and I reported that to my Committee.

Although in some quarters we may be approaching the notoriety of the committee of public safety in revolutionary France, I am more of a Gramsci than a Robespierre, although I think that Robespierre had his merits.

The work of the Committee in the past year has focused, as it will in the coming period, directly or indirectly on the economy in recognising the need for an outward-looking, global Wales, rather than a fortress Wales.

Julie Morgan (Cardiff, North) (Lab): My hon. Friend says that his Committee has generally been concentrating on the economy. May I say how pleased I am that he is undertaking an investigation into the Legal Services Commission's plan to cut jobs in Wales, which will of course affect the economy because of the number of jobs that would be lost?

Dr. Francis: I thank my hon. Friend for that intervention and congratulate her on the sterling work that she has undertaken on this matter.

As my right hon. Friend the Secretary of State mentioned, we have undertaken a globalisation inquiry and a cross-border inquiry. Both these reports highlight heavily the importance for the long-term economic future of Wales of the need to establish higher-level skills, as the hon. Member for Chesham and Amersham (Mrs. Gillan) rightly said. In our globalisation report, we recognise the central importance of universities and colleges in building the knowledge economy, and the need for that to be done at local, national and international levels. We were particularly impressed with the role that universities are already playing in this field in Wales by contributing to their local economies. Much could be learned in some respects from more advanced developments, such as the Mondragon co-operative university, in the Basque country; Xiamen university, which I am delighted is twinned with Cardiff university; and other, similar initiatives.

In our recently published report on cross-border public services in relation to further and higher education, we highlighted the vital issues, which have already been mentioned, of the funding gap, the research profile and UK science policy.

Daniel Kawczynski: I am grateful that the hon. Gentleman is talking about the cross-border issue. He probably knows that the Royal Shrewsbury hospital loses £2 million a year as a result of the different tariffs that it is paid by the Welsh Assembly. I hope that his Committee has looked at how English hospitals are losing out.

Dr. Francis: We have made some observations on that matter. We have not done anything about roundabouts in Shrewsbury, but I am sure that we will come to that issue as well.

The message of the two reports was very clear. With all due respect to the importance of widening access—I spent a quarter of a century in universities trying to achieve that—the whole question of student finance pales into insignificance when we are dealing with the core question of the funding of universities for proper teaching and research. Unless that question is addressed, we will not be able to build the knowledge economy of the future and thus safeguard quality jobs for all our communities.

We made several key recommendations, especially on science policy and research, which can be influenced by the Welsh-UK Government partnership. I hope that we will be able to emphasise that in the future. I am delighted that my right hon. Friend the Secretary of State for Innovation, Universities and Skills has recently visited Cardiff university, and he has agreed to come to my constituency in the autumn to visit Glamorgan university's hydrogen centre and Swansea university's Technium centre and the new science campus, which will be based largely in my constituency.

On the theme of the knowledge economy and creating new, sustainable jobs for the future, my Committee has begun its inquiry on digital inclusion, and we will visit Bangor university to see how higher education is addressing the social and economic challenges facing us. We may also need to consider seriously the role of broadcasting within that inquiry, given the impact of digitisation on

the Welsh economy and the democratic deficit. Lord Carter's interim report, "Digital Britain", which was published in January, is a matter of concern for us all, not least because as a reserved matter broadcasting is a concern for my Committee.

Finally, I shall turn to my Committee's new responsibility to undertake pre-legislative scrutiny of LCOs emanating from the Welsh Assembly Government. After 18 months of hard work and much learning by everyone, we have established a pattern of work that is now functioning reasonably well. We have excellent working relationships with Welsh Assembly Government Ministers, Assembly Committees and the Wales Office—I see a wry smile on the faces of the two Ministers on the Front Bench.

We are about to undertake work on two important LCOs, and I am somewhat dismayed that so far no mention has been made of an important LCO on carers. It is to the credit of the Welsh Assembly Government and the Assembly Member for Llanelli, Helen Mary Jones, who initiated this particular LCO, that this is coming before us. We should recognise and respect the right of the Welsh Assembly Government to prioritise its policies and propose legislation. This particular LCO—I declare an interest as a vice-president of Carers UK and the sponsor of the Carers (Equal Opportunities) Act 2004—will affect nearly 1 million people in Wales, so it is a matter of some consequence.

I have said publicly, and will repeat, that we will undertake our work thoroughly and, in the words of Erskine May, "in an expeditious manner" and in partnership with our colleagues in the Assembly. I have already had meetings with Dr. Dai Lloyd, the Assembly Member whose committee deals with the carers' LCO, and with Mr. Mark Isherwood, the Assembly Member whose committee deals with the Welsh language LCO. At 5 o'clock this afternoon, I will have a meeting with the Culture Minister, Mr. Alun Ffred Jones, and in a few weeks I shall meet Meri Hughes, the chair of the Welsh Language Board. I am delighted to announce that, on the same day, she will also be prepared to meet all Welsh MPs here in the House.

As an indication—

Mr. Deputy Speaker: Order. The hon. Gentleman has had his due time.

3.10 pm

Mark Williams (Ceredigion) (LD): Thank you, Mr. Deputy Speaker. May I begin by associating Liberal Democrat Members with the profound comments that we heard from the Secretary of State and the shadow Secretary of State on the loss of Ivan Cameron? All of us, and especially those of us who are parents, will appreciate that there is nothing more sorrowful than the loss of a child in such sad circumstances. Our condolences go to the Leader of the Opposition and his family.

It is a privilege to follow the hon. Member for Aberavon (Dr. Francis). I say this as an opposition MP, but he is an excellent Chairman of our Select Committee and his pursuit of a consensual style is to be admired. I shall add to what he and the Secretary of State have said about the ingredients for the future and especially the importance of higher education and the skills agenda. We need to develop the Welsh skills base, so that businesses both large and small are supported. In particular, I shall speak from a rural perspective about small businesses.

As we have heard, the report on the cross-border provision of higher education identified some of the positive steps that have been taken. However, it also alerted us to some of the great issues of concern, the clearest and starkest of which is the funding gap of some £61 million. The House does not need to be reminded that Wales has some of the finest academic institutions in the world, but if the present level of funding is not maintained or increased, there is a great danger that we will fall behind in an increasingly challenging global market. That would make it more difficult for Welsh institutions to compete for research funding which, considering our relative size, is already disproportionately low. A lack of research funding will inevitably make it more challenging for Welsh universities to keep top academics, and the knock-on effect will be that it will be harder to attract new students.

Moreover, we have to compete internationally as well as in the UK context. The Committee took evidence from Professor Merfyn Jones of Bangor university, who pointed out that international students contribute well over £100 million annually to the Welsh economy through the payment of fees and through spending their money locally. Concerns have been raised with me, most recently by the vice-chancellor of Aberystwyth university, about the mismatch between the length of visas and the duration of some of the courses that overseas students wish to undertake.

I do not mean to patronise the Welsh Assembly Government in any way, but our report found that, in developing the work force development fund, they could learn some lessons from Train to Gain. It was felt that Train to Gain was far better at promoting itself than the work force development fund. We took evidence from Summit Skills, the sector skills council for the building services and engineering sector, and were told that many employers simply did not know that the work force development plan existed—the Welsh Assembly Government had not advertised it at all.

The Leitch review has demonstrated the importance to the future skills base of reskilling and upskilling. Learning is a lifelong process now, and not something that happens only between the ages of four and 16. In that context, I know that the Welsh Assembly Government will assert—I mean no criticism, as we have heard the same assertions from the Secretary of State—that £68 million has been spent on the ReAct and ProAct schemes. That is welcome but, like the hon. Member for Chesham and Amersham (Mrs. Gillan), I find it hard to reconcile that with the 7 per cent. cuts that have been made in further education in Wales. As one of my colleagues in the National Assembly, Jenny Randerson, remarked, we should no doubt praise the admirable further education college in the north-east that is now in receipt of £60 million a year, as that is more than the Assembly budget for further education across the entirety of Wales.

The skills agenda was rightly highlighted when we found ourselves in somewhat uncertain economic climes, but it is now all the more important that we focus and refocus on it. We considered that in our report on globalisation. When the representatives of Higher Education Wales gave evidence to the Select Committee, they stated that higher education contributed £1.6 billion to the Welsh economy, which demonstrates just how important it is. As others have said, we are now moving on from developing the interface between traditional academia

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in our universities and opportunities in the commercial world. Examples of that are the relationship between Aberystwyth university and Bangor university, the growing associations between the other higher education institutions in Wales, and the merger of the Institute of Grassland and Environmental Research and Aberystwyth university to form the Institute of Biological, Environmental and Rural Sciences. The Under-Secretary of State was there last week and heard about the development of biofuels, the academic scientific research into that development and the need and enthusiasm at IBERS to develop commercial partnerships to take these projects further.

Of course, that is all underpinned by the state of the national economy. My party certainly supported the recapitalisation of the banks last October. We share across the House the concern that, since October, £5 billion less has been lent to enterprises across the country. My hon. Friend the Member for Twickenham (Dr. Cable) has made our approach quite clear: we favour the acquisition of ordinary shares so that the Government can have a steer on lending and remuneration. The offensive news that we have heard last night about the £650,000 pension awarded to Fred the Shred, as I think he is called—[Hon. Members: "Outrageous!"] It is outrageous. It does not resonate strongly with what we have heard about the roles of the banks in relation to small businesses and with the difficulties that rural businesses have experienced.

In my constituency, small businesses account for two thirds of the work force. Indeed, 54.2 per cent. of people in Ceredigion are employed by micro-businesses—businesses with nine employees or fewer. That is the highest percentage in Wales. When we consider rural businesses, we must make the point that the collapse of small and micro-businesses has a direct effect on the broader rural economy. When young families are forced to move away, that has an effect on the pupil numbers in the village schools and on the ability of public services to continue. That can make the difference to a community's survival.

I remain very concerned, as we all do, I am sure, about the attitude of the banks. Let me use an illustration that I have been aware of for the past couple of weeks. Two constituents of mine—I will not mention their business—came to Finance Wales in good faith two or three years ago, and achieved funding for their enterprise. Difficulties followed, the cost of bank loans has risen and they are now in talks with one of our high street banks to renegotiate the loan. The banks displayed stridency and determination in not budging from a repayment figure of £233 a month, whereas my constituents could raise only £200. That £33 is the difference between the threat of bailiffs hanging over them and their future viability as a business, which would be assured if the bailiffs went away.

One constituent of mine in the north of Ceredigion has the misfortune of having a range of empty business premises. Although the rate relief has been welcome—we heard about that earlier—for small business people with empty business premises, my constituent will not be helped by the scheme and faces an annual rates bill on empty properties of some £30,000, which directly affects his capacity to function in other areas. That is the reality of the operation of the banks on the ground.

I have read the Wales Office website in some detail, and have read about some of the schemes available. It states some of the criteria and whether they are applicable to England, Wales or the UK, and gives telephone number contact details. However, there is still a problem in getting that message through to some of our small business people. Two weeks ago, I went to a small business breakfast in Aberystwyth armed with the website page and went through it with those people. Much of it was fresh news to them, so I do not think the message is getting through to those businesses about the extent of the available help, which they desperately need.

Daniel Kawczynski: Does the hon. Gentleman agree that it is vital for local authorities to do more to give contracts to local firms? I am encouraging Shropshire county council to increase the amount of business it gives to local Shrewsbury firms and I am sure the hon. Gentleman is doing the same in his area.

Mark Williams: I thank the hon. Gentleman for that intervention. That action is certainly being taken by my local authority and by Cardiff. The Assembly Government summits have looked at procurement, which is important.

The closure of the tax office in Aberystwyth has been frustrating in the extreme, not least given the economic climate in which we are operating. It is frustrating given that on the basis of a saving of £83,000, the Aberystwyth tax office is to go, despite the fact that Her Majesty's Revenue and Customs spent £50 million on consultants last year. The Financial Secretary asserted to me that the closure

"will not have an adverse effect on the services to small businesses."

My goodness, if ever there was a need for services to small businesses, it is now. He said:

"Most of HMRC's businesses can operate without the need for a local presence."

I know that is the experience of other Members across mid and west Wales. The Financial Secretary asserted that

"the Department's customers are increasingly using the internet as a preferred way of doing business and obtaining information. Where face to face services are provided these will be maintained at a level geared to meet local demand."

According to the soon to be former HMRC employees in my constituency, that means pointing clients to a telephone linked to a call centre elsewhere.

Mr. Roger Williams: My hon. Friend is right to emphasise the loss of tax office services to small businesses. In these difficult economic conditions, a number of my constituents find themselves subject to tax inspections. They do not have the time for such inspections—they want to run their businesses. Surely, this is the time to lay off such things and allow businesses to ensure that they are still around when the upturn comes?

Mark Williams: I take my hon. Friend's point, but the sad reality for inspections across mid-Wales and the extremities of Powys—so I am told by HMRC—is that the spectre will arise of a roving squad of two people serving the needs of Montgomeryshire, Brecon and Radnor and Ceredigion. Only two people will respond to the problems that arise.

Lembit Öpik: My hon. Friend is a feisty campaigner in defence of rural HMRC offices. Does he agree that one of the factors excluded from the closure calculations is the potential reduction in the tax take? The more remote the offices in any practical sense, the less connected some people will feel to their responsibility to pay tax. The closures could actually cost more than they save.

Mark Williams: I certainly agree and I thank my hon. Friend for that contribution. We are still trying to get the elusive figures in that regard.

Mr. Crabb: Is not the irony that in recent years HMRC has deliberately devoted more resources to targeting big business customers of its services and has de-prioritised small businesses? Large banks are not making any money, and HMRC needs to raise money efficiently from the small business sector, so the plan to decimate the network of tax offices in rural west, north and mid-Wales is counter-productive.

Mark Williams: I thank the hon. Gentleman for that intervention and pay tribute to his work trying to defend the office in Haverfordwest. He makes a valid point. I am amazed at the lack of thought behind the closures, not least in the present climate. All our calls for a moratorium on the closures have been ignored by the Government.

The hon. Member for Chesham and Amersham (Mrs. Gillan) mentioned broadband. Of course, the answer to HMRC's problem is now broadband, but she mentioned the problems of "not spots". Again, I pay tribute to the National Assembly for its work. There are six pilot schemes across Wales, one of which is Cilcennin in my constituency, which will now get some assistance after a long campaign for broadband, but we have a long way to go. All that, in my consituents' context, is taking place in an area that is deemed to need convergence funding for good reason: it is an area of significant social and economic deprivation, as recognised by the National Assembly's communities first programme.

Let me touch on another rural business—the family farm—and the anxiety that is being expressed, certainly among the farmers in my constituency, about the introduction of the compulsory electronic identification of sheep. Again, I will pay tribute where tribute is due: the Government have had some success in delaying the introduction of that scheme. None the less, EID is looming fast, and there is real anxiety in the countryside. It has been estimated—it is a low estimate—that 18 per cent. of farm income will be lost to the introduction of EID. I remind the House that farm incomes stood at £3,000 in less favoured areas—indeed, in most of Wales—in 2006-07. That was 63 per cent. down on the previous year, while income on lowland farms was down by 24 per cent. at £8,500.

I am sure that other colleagues have written to the European Commissioner who is responsible for EID. I was extremely disappointed by her response, which seems to go along the lines not of justifying the system, but of saying that we must proceed just because some countries have started their introduction of the scheme, despite the proven facts that, geographically and climatically, the problems that we have in Wales make the system completely inappropriate. It seems extraordinary that the Commission is not prepared to alter the policy. It may have looked good on paper and ticked various boxes in Brussels, but it has been shown to face significant problems on the ground that will, at best, render it useless and, at worst, seriously undermine the continued viability of small family farms.

The Government have lobbied on the issue. I pay tribute to Elin Jones—we share a constituency—for working hard on the issue in the National Assembly, but I urge the Government to continue to push for a derogation and a non-compulsory model. I initiated a Westminster Hall debate on the subject, when there was remarkable unanimity between representatives of my party and other hon. Members. The hon. Members for Ynys Môn (Albert Owen), for Preseli Pembrokeshire (Mr. Crabb), for Meirionnydd Nant Conwy (Mr. Llwyd) and for Clwyd, West (Mr. Jones) were all there. We all argued the same way and sang very much the same tune, yet the scheme is proceeding.

Of course, the background for today—the sad reality—is the continued funding crisis, whether from banks to small businesses or family farms, or now because of the spectre of a £500 million cut in the National Assembly's budget, made worse by the Barnett formula in all its manifestations. I reflect again on my constituency and I look at the tight local government funding settlement in a county where 40 per cent. of the work force are employed in the public sector. Some people have asserted that those public sector jobs would buffer us from the challenges of the recession, but as I look at NHS schemes, I am less certain that they will proceed. As we mark St. David's day, I look even at a great, iconic institution, the National Library of Wales, which has had a marvellous success with the open-doors policy that has attracted tourists and academics alike to Aberystwyth and the county of Ceredigion. Because of cuts in its funding, the doors of that august institution will be locked on Saturdays. The Minister has visited the National Library of Wales and has seen some of the excellent work that is being undertaken there, and he will be aware of that dispute.

HMRC could now alter its interpretation of the rules for claiming back VAT, which will cost the National Assembly £500,000. The hon. Member for Carmarthen, East and Dinefwr (Adam Price) has been involved in that issue as well. Cuts in our budget are in prospect, and that will, no doubt, have implications for service delivery.

Members may be pleased to hear that I am now turning to my final point; they can rest assured that my hon. Friend the Member for Brecon and Radnorshire (Mr. Williams) will be back on the Front Bench, rather than being a boisterous Back Bencher. On what is nearly its 10th anniversary, I should like to say a little about devolution.

After nearly 10 years of the Assembly, this debate is as good a time as any to be positive about the contribution made by devolution—although I hesitate as I look towards the hon. Member for Preseli Pembrokeshire. Some of us have been frustrated by the operation of the Government of Wales Act 1998. The hon. Member for Caernarfon (Hywel Williams), who is not here this afternoon, talked about the 27 hoops and hurdles that have to be gone through and jumped over before measures can see the light of day in Cardiff. However, legislative competence orders represent progress. Some of us devolutionists passionately believe that anything that

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can lead to the legitimate transfer of power from this place back to Cardiff should be welcomed. I look forward to the referendum, when the time is right, and I for one am glad that Sir Emyr Jones Parry will not be heading off to Bosnia but concentrating on the work at hand back in Wales. We wait to see what the all-Wales convention will produce when it reports at the end of this year.

While we have the system, we need to make it work. We have talked about the Welsh language legislative competence order. There are those here who stridently oppose the order—although, since the hon. Member for Monmouth (David T.C. Davies) left his place, there have not been as many as there were. I agree with what Front Benchers said about the need for the widest debate, and we have moved on from any assertion that this place should have a monopoly on the debate through the Select Committee. Of course we need the widest discussion, but my party cannot accept that it is not the place of Assembly Members to make the ultimate decision on the mechanics of the measure that they wish to put before us. We are clear on that. The role of the Select Committee is clear. There is a debate to be had about the effects of the LCO on small businesses, and there will be comment from this place. However, the ultimate legitimacy rests elsewhere and the ultimate decision should be made in Cardiff.

3.32 pm

Mr. Peter Hain (Neath) (Lab): I apologise to the House, as I will have to leave almost straight after I sit down; I have to go to Cardiff to join battle with the shadow Welsh Secretary on "Question Time" tonight. I am sorry that I will not be here for the winding-up speeches.

I was grateful that my right hon. Friend the Secretary of State responded positively to my request that he look into the South Wales police funding crisis. I suggest, however, that the problem lies more at the Welsh than the Westminster end in respect of the meeting that he might be attending. I hope that those who made the decision will reverse it in Wales.

Another policy area for which decision making remains at Westminster is broadcasting. The House should give proper attention to the impact on audiences in Wales of the decisions on the future of public service broadcasting that Ministers must take in the coming months. There is room for considerable concern, and I am grateful that, as my hon. Friend the Member for Aberavon (Dr. Francis) reported, the Welsh Affairs Committee will look into the matter.

ITV said publicly that the cost of its public service obligations will exceed the benefits of being a public service broadcaster earlier in Wales than in Scotland or Northern Ireland—in other words, the situation is more serious in Wales. In January this year, ITV Wales reduced its news output to four hours a week, and its general programming for Wales to a mere 90 minutes a week. Only a few years ago, its general programming amounted to nearly seven hours a week. There is no certainty that even that 90 minutes—that hour and a half—will last more than a year or two; we could go from seven hours a week to nothing in a few years.

I also understand that BBC Wales is having to find savings of £3 million a year for the next five years. That is bound to restrict the ambition and range of what it makes for Welsh viewers and includes, of course, the ending of BBC2W. Taken together, this represents a shocking reduction in service for Welsh viewers. The Assembly's broadcasting advisory group calculates that between 2006 and 2013 the annual value of English language programmes made for Wales will have reduced by more than £20 million. There is a great danger that this will become permanent. That prospect raises economic and cultural issues for us in Wales, as well as questions about the role of television in our democracy.

There are some welcome conclusions in Ofcom's final report on its public service broadcasting review, as there are in Lord Carter's interim report, "Digital Britain". I particularly welcome the support for the continuation of S4C, the recognition that we must retain a strong and viable competitor for the BBC in Welsh news, and Lord Carter's suggestion that we should plan for a digital universal service commitment by 2012. I know that my right hon. Friend the Secretary of State, who also has a brief for digital inclusion, is considering that issue. However, neither Ofcom nor Lord Carter seems to have given sufficient weight to the issue of general programming made for audiences in the nations. Indeed, Lord Carter's report does not address the issue at all, concentrating solely on the provision of news and production quotas for the UK networks. Ofcom recounts the proposals made by various bodies in the nations, including the Welsh Assembly Government and its broadcasting advisory group, but makes no firm recommendation.

Since 1982, an honourable provision has been made for the Welsh-speaking audience through S4C, which has provided a wide range of programmes, and successive Governments have given this greater care and attention. We must now show equal care and attention for programme services for the majority non-Welsh-speaking audience in Wales. Most Welsh viewers—indeed, 80 per cent.—speak English rather than Welsh.

Unless something is done, the BBC could soon be the only provider of general programmes in English for Wales; and even that is on a downward curve. Assuming the survival of Welsh news on ITV, in future English language programmes made specifically for the audience in Wales will be totally dominated by news and sport, leaving only 10 per cent. of the output for drama, music, arts, factual, and light entertainment programmes. By comparison, S4C's service devotes about 40 per cent. of its output to news, current affairs and sport, and 60 per cent.—10 times the amount of English language provision on the BBC and elsewhere—to other programmes. It is important that we share the view conveyed to Ofcom by the Welsh Assembly Government that

"this is not a defensible proposition for a developed national community that brings to the table the sort of cultural legacy that Wales commands".

One of the successes of devolution is that it has given a greater focus to cultural policy. The fact that our actors and singers, poets and artists are getting unprecedented attention is of huge value to Wales as a whole. We have all cheered at the success of "Dr. Who" and "Torchwood", Michael Sheen and, of course, Duffy, who received those marvellous Brit awards last week. In television, we must not allow the soil in which many of these creative talents are grown to be carted away and

dumped. "Coronation Street" is important to us all, but especially to the people of the north of England; the same can be said of "EastEnders" for the people of London. They are both a permanent presence in people's lives. Yet I gather that last year there were only four hours of television drama in English made specifically for the audience in Wales by BBC Wales—including, of course, the excellent "Coal House". Drama has long disappeared entirely from ITV Wales's service. The same sad picture could be painted in comedy and light entertainment.

As regards funding, there are options—I hope that my right hon. Friend the Secretary of State and my hon. Friend the Under-Secretary will look into this—that might solve the problem without further impinging on the public purse: for example, use of the proceeds from the sale of spectrum following the switch-off of analogue transmission, or use of the part of the licence fee that is dedicated to the digital switchover campaign, which will end in Wales at the end of this year.

The audience in Wales deserves better than this very sharp decline in general English-language programming provision, and I hope that whatever decisions are made in the current months, the restoration and development of a fully adequate English language programme service for Wales will get a high priority. I fully support the move towards the development of high-speed broadband services, but the fact is that traditional television will be a major factor in people's lives for some years to come, and probably for ever in many respects. People in Wales deserve a full reflection of their lives on television in English as well as in Welsh.

3.40 pm

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): It is a pleasure to participate once again in the annual, not-quite-St. David's day debate on Welsh affairs, and it is a privilege to follow the former Secretary of State for Wales, the right hon. Member for Neath (Mr. Hain), who was economical with the time allocated, and made an extremely important point about the importance of home-grown, Welsh-produced television for an English language audience in Wales.

The backdrop to the debate is, as right hon. and hon. Members have already said, the deteriorating economic picture facing Wales, the UK and the entire world. I was still a member of the Select Committee on Welsh Affairs when it began scoping out its inquiry into the globalisation report, which is one of the background documents to the debate. The economic scenario that we were considering two years ago seems very different to the one we are facing now. Looking back, it is interesting to note that what many of us regarded then as underlying strengths of the economy now look illusory, built as they were on piles of unsafe, risky debt.

The report also highlights the fact that what hon. Members from all parties recognise as underlying continuing weaknesses in the Welsh economy now look even more troubling and disturbing. I am thinking of the growing pool of people not in education, employment or training, the persistent problem of worklessness and a rate of people claiming incapacity benefit in Wales that is higher than the national average. Some deep-seated economic issues have to be tackled, and the current economic downturn makes that more difficult.

It was interesting and useful to hear the Secretary of State outline all the measures that the Government and the Welsh Assembly Government are taking to assist Welsh businesses, but I reiterate the point that I made earlier: the data that we are seeing from Wales so far do not suggest that the Welsh economy is any more resilient to the downturn than other parts of the UK. I am thinking, for example, of the recent RBS purchasing managers index report, which is a monthly monitor of the state of business activity in Wales. The most recent report shows the eighth consecutive month of a significant contraction of private sector business activity in Wales, which is very concerning.

At the end of January, the First Minister of Wales, Rhodri Morgan, said that he had "no idea" when the recession would end. That is probably a more realistic assessment than the one underpinning the pre-Budget report in December, which forecast the UK effectively bouncing out of recession six months from now. No one would regard that as a realistic economic forecast now. The truth is that we do not know when the recession will end, and it could be a long haul indeed for the Welsh economy and Welsh businesses. We all hope that better times lie ahead, however, and fundamental to that, and to reorienting and rebalancing the Welsh and UK economy, is focusing as never before on world-class skills and education. That issue has been flagged up already, and it was good to see that skills featured strongly in the Welsh Affairs Committee's report on globalisation.

In the time that I have, I would like to make a few brief points, the first of which concerns further education. That was already highlighted by the powerful speech of the hon. Member for Ceredigion (Mark Williams), who spoke about some of the pressures facing the further education sector in Wales. The umbrella body for further education colleges in Wales, fforwm, predicts that about 450 jobs will have to be lost from further education colleges in Wales in the next 12 months as a result of the cut of about £3 million that is being made to further education this year. At a time when we need to focus even harder on the skills agenda to help the Welsh work force adjust to the challenges of the recession, the further education budget is actually being cut. My local college, Pembrokeshire college, is consistently the most successful beacon award winner in the UK, having notched up seven beacon awards in the past six years as recognition of its innovative and effective approaches to further education. In the next 12 months, there will be a 1 per cent. reduction in its budget at a time when it should be expanding the courses that it offers and the skills training that it delivers to the people of west Wales. That picture in my constituency is replicated right across Wales, with further education colleges having to make cuts at a time when they should be thinking about how they can expand services to help their local areas.

Another issue flagged up in the report on globalisation was the importance of Welsh exports. There has been something of a success story in recent years. In his evidence to the Committee, a Trade Minister said that the Welsh economy had been a particular beneficiary of globalisation, with the value of Welsh exports growing by half between 1998 and 2005, almost twice the rate of the UK as a whole. He cited specialised electronics,

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technology, aerospace and the service sector as areas in which Wales had a comparative advantage relative to other parts of the UK.

We celebrate the growth in exports from Wales, but if we dig a bit deeper into the figures and drill down into what is driving that growth, the picture does not look quite so rosy. According to the most recently released statistics, in the previous 12 months the value of Welsh exports had grown by £1.3 billion on the year before, up from £9 billion to almost £10.5 billion. That looks great on the surface, but when we drill down into those figures we see that that growth in value was driven to a significant extent by inflation of the oil price, as Wales is a significant exporter of refined petroleum products from the two major refineries in west Wales. When we strip out the effect of $150 barrels of oil and the increase in the price of refined products, we see that there are challenges to be addressed in increasing export volumes from various industrial sectors in Wales. Perhaps the picture is not quite as positive as we are led to believe.

The Committee noted in its report that it was disappointed by the achievements so far of International Business Wales, the arm of the Welsh Assembly Government that is seeking to boost trade, particularly with China, secure inward investment and expand exports. Much more work needs to be done at UK and Welsh level on considering how to encourage Welsh businesses to take advantage of parts of the world that are still experiencing economic growth, such as India, China and south-east Asia. That is a major challenge.

A point that was not highlighted in the Committee's report, but that is relevant to the discussion of the economy and globalisation, is foreign language skills. There has been a disastrous decline in the number of Welsh young people coming out of school with any meaningful qualification in a modern foreign language. Back in 2002, the Assembly Education Minister, Jane Davidson, said at the launch of the Assembly Government's national modern foreign languages strategy:

> "Learning a language can empower individuals, promote cultural understanding and diversity and above all enable us to remain competitive in a global marketplace... can we honestly expect to become really effective traders or world citizens if we always simply expect others to accommodate our limitations? The answer must surely be no."

That is great rhetoric, with Assembly Members talking up the importance of modern foreign languages, but what has been the effect of the policies of the past five years? There has been a decline every year in the number of young people of 15 starting GCSE courses in French, Italian or Spanish, and an even sharper decline in the number of those gaining grade C or above in their GCSE two years later. There has been a UK-wide decline as well, but the figures for Welsh young people show that as a proportion significantly fewer pupils are coming out of Welsh schools with qualifications in those languages.

Does that matter? I believe that it does. There was a view kicking around some years ago that given globalisation, and with English being the language of Microsoft, perhaps it was not so important any more for people to be multilingual, and that the English language would suffice for doing business. That view has been proved false. Companies value people with language dexterity, and it is important for trading and business relationships to have people who can go into other cultural and national contexts and speak other languages. Welsh young people who do not have such qualifications and are presented with opportunities such as the ERASMUS programme—the EU-funded exchange programme that enables students to spend a year or a term of their university course in a European university—will find that such options are not open to them because they do not have A-levels or good GCSEs in modern foreign languages.

Those are the points that I believe are relevant to today's discussion.

3.50 pm

John Smith (Vale of Glamorgan) (Lab): I am grateful for the opportunity to speak in the annual Welsh affairs debate. We do not have many opportunities in the House nowadays to discuss Welsh issues exclusively, so the debate is welcome.

As previous speakers have said, our debate today takes place against the backdrop of a serious global economic crisis—possibly the worst international financial crisis in the past 100 years. I would therefore like, in the short time available to me, to refer to three projects in my constituency, but not parochially, because they all have valuable strategic Welsh importance. I want to use today's opportunity to draw the House's attention to several issues surrounding the projects.

The Conservative spokesperson has already mentioned the first project. It will come as no surprise to hon. Members when I refer to the defence technical academy in St. Athan in my constituency. It is progressing well. It was recently announced that Sodexho is to be the equity partner, replacing Land Securities Trillium, which had to withdraw because—let us make no bones about it—of the financial crisis. However, in many respects, Sodexho is a better fit. Unlike its predecessors, its core activity is facilities management, and it has been involved in the scheme from day one. It was always involved, but it has just become a 50:50 equity partner.

The Minister for the Armed Forces made a statement in the House, saying that the negotiations were progressing well and were on track. A clear timetable is developing. A detailed planning application for the scheme will be submitted in May this year and construction will commence around August next year. That timetable is important, because we have lost time in the past two years, mainly because the project is so large and complex. It is the biggest single Ministry of Defence investment and its importance for Wales cannot be overestimated.

The project will provide 5,000 direct jobs and train annually 25,000 service personnel from all three services. It will provide a defence training strategy in some of the most sought-after skills in the world—technical, engineering and information technology skills. I have always argued that the real value to Wales as a whole—not only to my constituency—is not the 5,000 jobs or the £12 billion private finance initiative investment over 25 to 30 years, or even the revenue, which runs to tens of millions of pounds, that will go directly to the local economy, but the transformation of Wales's reputation to that of a country that is a centre of technical and skills excellence. Our reputation for being dominated—still—by metal

manufacture and mineral extraction can be transformed into a reputation for high value-added technology. That is the benefit: a change of reputation and an ability to attract inward investment.

I am delighted that a Command Paper was put before the House on Tuesday, offering a contingent liability of £40 million to prepare the plans for this year and the design to get on with the construction next year.

Mr. David Jones (Clwyd, West) (Con): As the hon. Gentleman will know, we on the Conservative Benches also strongly support the St. Athan project. Does he agree that one of the key benefits of St. Athan will be to improve the perception of the military as a career for young people, with the high-quality jobs that if offers, and in particular as a career for Welsh young people? Does he agree that, today more than ever, going into the military is a good, attractive career for young Welsh people?

John Smith: I agree with every word that the hon. Gentleman just said. Indeed, he should forgive me if I have not referred to that point, because the overriding benefit of the project will be to improve training in the military. Perhaps I should remind the House that, unlike now, every technical qualification that will be achieved at the new academy will be a civilian-recognised qualification. We will be producing engineers for the future, including civilian engineers, so I accept the hon. Gentleman's remarks. We also had all-party support, which in my view is one of the reasons why we won the bid in the first place.

Lembit Öpik: I applaud the cross-party work that the hon. Gentleman has done to secure those jobs. Does he agree that one of the opportunities for Wales will be not to repeat the errors at Deepcut Army barracks—I understand that they are being shut down, with some of the work perhaps coming to Wales—where Cheryl James, the daughter of one my constituents, was, I believe, murdered?

John Smith: Of course I agree with that.

St. Athan has been a huge success story for Wales and for Welsh politics. We won the bid because we were united across the parties and because—let us be clear about this—ours was the best bid. However, I must sound a rather disconcerting note this afternoon. The Command Paper was presented to the House on Tuesday, but—I have given notice of this to the hon. Gentleman involved—it was blocked. An obscure procedural motion was used on Tuesday on a point of order to block the contingent liability of £40 million. The process cannot be stopped, but the effect of what was done on Tuesday could be to delay a recession-busting project that is vital for our country.

I am sure that every Welsh Member of this House will condemn the hon. Member for The Wrekin (Mark Pritchard). I understand why he objects to the scheme: because he lost the bid. I understand his protesting, but what is reckless and unacceptable is his bid to block the progress of the scheme. It is important that we move ahead with the planning in May. I call on all hon. Members to condemn his action. I am afraid that I must say to Conservative Members in particular: for goodness' sake, bring some influence to bear on him, because he is delaying a vital project.

Mr. Crabb: I understand the hon. Gentleman's passion and commitment to the St. Athan project. We would all recognise and applaud that. However, it is deeply unfair of him to talk in such terms about my hon. Friend the Member for The Wrekin (Mark Pritchard), who is not here and who does not have an opportunity to defend himself.

John Smith: I gave notice—I have been in the House long enough to realise that I should do that. What I am doing today I do with a heavy heart. I have never done it before, but the project is too vital to play silly political games with it. The future of Wales is at risk.

Daniel Kawczynski: As the neighbour of my hon. Friend the Member for The Wrekin (Mark Pritchard), may I say that he is an assiduous constituency MP and works extremely hard? As Opposition MPs, it is the responsibility of us all to scrutinise Government decisions.

John Smith: We have an overriding responsibility to behave responsibly. I will leave it at that, because I gain no personal benefit from making such comments, but it is important that I should make them today.

The second, related issue that I wish to raise is about an important piece of transport infrastructure: the M4 link road to Cardiff international airport—that is, to Wales's international airport. That has a bearing on the technical academy, because although we will not lose the academy if we do not get the timing for that road right, we might lose some of the benefits that could come to Wales. The onus is on us to maximise all the benefits from the investment, to ensure that Welsh people and Welsh businesses benefit first from the huge opportunity that is coming our way. We must get the transport links. Businesses in Pembrokeshire and west Wales will benefit, as will businesses in Monmouth and mid-Wales. We must get the transport infrastructure right and the M4 airport link road is a crucial factor in it, because it will serve the defence technical academy, and it will serve Barry—the second largest town in Wales—as well as providing a link to the airport.

A decision is imminent. We have had the public consultation and the Welsh Assembly Government's Deputy First Minister will take a decision shortly. The biggest decision to date has been about which route to choose. It is controversial—it will affect local people, so there is a lot of local concern about the impact on people's quality of life—but the decision on the route of the direct link to the airport is crucial. I call on the Minister to use all his influence with the Welsh Assembly Government to ensure that the decision is taken, and taken quickly.

I am deeply concerned that there may be prevarication and second thoughts about the strategic importance of this road; we should be in no doubt that this link road is crucial. We will never have a country seriously recognised throughout the world unless we have a serious international airport that provides comprehensive scheduled flights across the world. Air travel is still the cutting edge of business communication, even in comparison with broadband—I accept everything said about it earlier—and Wales must have a proper international airport. What we have now is a holiday charter airport; it is growing and doing well, but as the aviation White Paper said, it has a long way to go. This road is an absolutely necessary

[John Smith]

condition for the growth and expansion of Cardiff international airport. It may not be a sufficient factor, but as I say, it is absolutely necessary.

I flag up that issue because I hope that we will not make the mistakes of the past by thinking that some funding for a few extra routes or a few extra slots to European cities will provide us with the strategic advances that we need for the airport's future. The entire business community supports the road: the CBI in Wales, the Federation of Small Businesses, the Cardiff business club. Indeed, there is not a business in Wales that fails to recognise the importance of strategic access to the airport. It is supported by the planning authorities and it has been supported by every management of every company that has owned the airport over the past three decades.

It is a crucial issue—one of the most important road transport issues in Wales. We are really at the cusp, right on the edge, of making a decision on a matter that will drive the Wales international airport forward. The decision must be taken quickly and the right decision must be taken—that is, identifying what route to take, not having second thoughts about whether we need such access to the airport.

Finally, a third project based in my constituency is also of international importance. It has already been mentioned in earlier debates. I refer to the Severn tidal barrage. I am delighted that the Government have gone out to public consultation on the four shortlisted possibilities. I favour, as I have for the past 20 or 30 years, a large barrage from Lavernock Point to Brean Down. The scheme will provide 5 per cent. of the UK's energy needs for the next 100 years, and it could provide the entire—I repeat, entire—energy needs for Wales for the next 120 years. The source is clean and renewable, and once the structure is there, it is cheap. We have a natural asset on our coast—at 42 ft, the highest rise and fall of tide in the world—so we can use our human ingenuity to harness the power of that tide. That will not only provide us with a cheap and environmentally friendly source of energy for our country, but contribute to the overriding threat to the world of climate change. Of course we have to consider carefully the environmental implications of such a project, and we have to carry out the feasibility study, but our overriding concern must surely be ensuring a source of energy for Wales for the future.

4.5 pm

Adam Price (Carmarthen, East and Dinefwr) (PC): It is a pleasure to follow the hon. Member for Vale of Glamorgan (John Smith), who is clearly proving an effective advocate for his part of Wales. I would like to focus on the economic crisis, which was at the heart of many of the speeches that we have heard. I particularly want to consider the role of banking and the effect of the crisis on Wales. In some ways, because we do not have an indigenous banking sector to speak of, we have been shielded from the direct effects, but of course we are dealing with the indirect repercussions of the banking crisis.

As I see it, we face three categories of problems, the first of which is access to affordable mortgages. It particularly affects first-time buyers, who are benefiting from a fall in prices but are not able to get a mortgage because banks and building societies now often ask for loan-to-value ratio of 75 per cent. A 25 or 30 per cent. deposit is nigh-on impossible for first-time buyers. The second category of problem is the lack of normal credit facilities for small and medium-sized businesses; we have heard about that from a number of hon. Members. The third category is more long term. I foresee a possible long-term negative effect on public confidence in saving per se. That will affect pensions—returns on equity investment are being hit—and financial inclusion. People look at what is happening in the banking system and are clearly suffering anxiety about the safety of their savings and investments. They are also experiencing a tightening of credit as a result of the crisis.

Those trends are particularly acute in the UK because of the absence of local and publicly owned savings banks, which are a typical element of the banking system in many European countries. The UK has a highly concentrated banking sector, in which there are a small number of very large institutions—institutions that, as we have seen, have unfortunately engaged in highly risky and slightly exotic investment activities over the past few years.

The banking sector is also concentrated geographically, in the sense that it is essentially focused on London and, to a lesser extent, Scotland. There has been a withdrawal of regional banking facilities, so the traditional role of the banking manager—even the business banking manager—who had a personal relationship with their customers has disappeared to some extent. The linkage between banks and the communities and businesses that they serve has become weaker in recent years.

The crisis gives us an opportunity to shift the balance again. There is a need to have local and, I would say, publicly owned banking institutions as part of the mix. In particular, there is a need for banks that focus more narrowly on traditional banking and do not get involved in some of the investment banking activities that were an important contributor to the current crisis. In Wales, which lacks a local banking institution, there is an opportunity to create indigenous financial institutions. The Welsh Assembly Government, through their activity with the economic summit, are looking at increasing their ability to impact positively on the economy in Wales. Having an indigenous banking institution that is directly owned by the public sector, or over which the public sector has some leverage, is an important component of a medium-term economic strategy in Wales. As Geraint Talfan Davies wrote recently in the *Western Mail*, in some ways—almost perversely—this is quite a good time to consider launching a new banking institution. A bank that does not have toxic assets on its balance sheet because it is a new institution could be a favourable proposition.

There are models out there. The Sparkassen, for instance, are local savings banks in Germany, rooted in local communities. Some services are provided by the Landesbanken, which operate as an umbrella institution owned at Land level by the regional governments. They have been very successful: about half the retail sector in Germany involves the Sparkassen. They have been unaffected by the financial crisis. Indeed, many have increased their lending because they are seen as a safe bet—a credit-worthy, trusted institution.

Many European countries have a mixed economy in banking. In Germany, the private sector represents only 12 per cent. of the overall banking sector. Even Switzerland, which is famous for private institutions which may or may not be involved in nefarious tax-evading activities, has cantonal banks which are owned by local government, and which deal with 30 per cent. of the banking business of ordinary individuals. That model offers us a way forward in Wales.

According to a recent *Financial Times* survey, 81 per cent. of people in the United Kingdom support the idea of the locally owned, publicly owned savings bank as an alternative to what has been on offer. We used to have that in the UK, of course: we had the Post Office Savings Bank, which became National Savings, and we still have the remnants in National Savings and Investment. We also had Girobank, the "people's bank", which was launched in the late 1960s and was very successful. It was the first bank in the world to launch telephone banking, and was also instrumental in launching the Link ATM network. Unfortunately it was privatised, perhaps because it was too successful.

There is still a residual element of the municipal bank movement. There are six municipal banks left in Scotland, and Birmingham city council—Birmingham was the site of the first municipal bank—says that it is considering creating a new one by means of a private Bill with which the House would deal later in the year. Ceredigion is considering the possibility of creating Wales's first-ever municipal bank in order to provide credit for local businesses.

Local authorities have the ability to offer mortgages. Birmingham city council is considering providing a top-up scheme in partnership with building societies. If the building societies were willing to lend the first 75 per cent. to first-time buyers, the council would provide perhaps 15 per cent. to make the purchase affordable. The Welsh Local Government Association is conducting research, as are the Welsh Assembly Government, to establish whether an umbrella product could be created through local authorities, possibly in conjunction with a new institution. I hope that it will be possible for the Westminster and Welsh Assembly Governments to act in partnership, but clearly the Treasury would have some decisions to make.

Albert Owen: The hon. Gentleman is right to refer to localism. A network that already exists in Wales, based on the Irish model, is the credit union network. Credit unions offer personal finance opportunities, and because of the safety mechanism that they represent, they are growing during the recession. Does the hon. Gentleman welcome that, and does he believe that the Welsh Assembly Government and others should do more to promote credit unions?

Adam Price: I absolutely agree. Credit unions could be part of this new mixed economy in banking and financial services. I mentioned Germany; the third element in the German tripartite banking system is the co-operative movement—the Volksbanken—which is its equivalent of the credit unions. We need to build up the credit unions, and they might form partnerships with municipal banks. Municipal banks can legally take deposits, but they cannot offer loans. If membership of a credit union were linked in with holding a retail deposit in a municipal bank, one could have a complete array of financial services, and with local authority mortgages as well. These are exciting possibilities, and it would be relatively simple for the new savings banks to link up with the plumbing of the wider banking industry through the SWIFT system. They could provide other financial products from other institutions. This could be done on a low-cost basis and relatively quickly.

As hon. Members will know from their own experiences, there is a gap in terms of business banking. Finance Wales provided just 110 loans in 2008. There is an issue to do with European law, in that it has to offer those loans at between 4 and 10 per cent. above the European reference rate, so they can be relatively expensive. Finance Wales is, essentially, a quasi-investment bank or kind of venture capital organisation, in that it looks at a small number of high-growth-potential firms, which leaves a gap in the market in terms of ordinary business banking for the vast majority of enterprises. Birmingham and Essex in England are looking at using local authorities' ability to offer loans on an unregulated basis. Birmingham is talking of offering £200 million in loans to local businesses. That could address some of the problems in the short term, but we need to create something similar to the Landesbanken—locally owned savings banks in conjunction with local authorities, and then an umbrella national institution that aggregates that and is able to provide a higher level of loans, pooling risk and providing expertise.

We could also pool some of the reserves held in the public sector, both in the Welsh Assembly Government and local authorities. Instead of putting that in Icelandic banks, and suffering as a result, why not keep it and invest it in a Welsh-owned institution that could then offer loans to Welsh businesses and that could also take deposits from retail customers? Too often in the past, what has happened is that retail deposits given by Welsh customers have not been reinvested in the Welsh economy, but have been used by financial institutions based elsewhere, and we have seen very little benefit.

Finally, if we did create this new architecture of Welsh financial institutions, it would greatly help if the Welsh Assembly had borrowing powers. I understand that the Labour party in Scotland has now made a submission to the Calman commission making the case for borrowing powers for the Scottish Government, and the Northern Ireland Executive already has them. It would be positive if the Labour party in Wales were also to back having borrowing powers, perhaps in its submission to the Holtham commission, because that could underpin any new financial institution we were able to create.

4.18 pm

Mr. Don Touhig (Islwyn) (Lab/Co-op): No one could have predicted that a problem that began with banks in America would lead to people throughout this country sitting at their kitchen tables worrying about their finances. Although the economic downturn we face is correctly described as global, its impact is local in the sense that every family in Wales has been affected.

It is right of our Government to act now to boost the economy. Whatever the doom and gloom merchants say, that means borrowing more in the short term to help keep the economy moving and to help businesses

[Mr. Don Touhig]

and families during these tough times. Some have argued that we should not borrow to boost the economy. They would leave it to the market, but that would mean us abandoning families and businesses in Britain who are facing difficult times—families who struggle with the loss of a job or to pay a mortgage, and the small business man or woman who has put everything into setting up the business. To stand back and do nothing to help them would have terrible consequences.

We have to learn the lessons of the past. Laissez-faire policies are not the answer, as we saw in the two recessions in the '80s and '90s. Those recessions tore into the very fabric of society, causing massive damage. In my constituency, young people leaving education had no job to go to. People who had worked all their lives in the same industry were condemned to the scrap heap, and pensioners were expected to live on £69 a week. In the south Wales valleys, the experience that some called Thatcherism we called despair.

If anything, the credit crunch has made us all realise how interdependent we all are. The very last thing that we in Wales need now is to turn in on ourselves in a narrow, nationalist sense and embrace the separatist agenda. However, I note that these days "new Plaid" has very little to say about independence, and it certainly does not mention the arc of prosperity to which it once said we should belong. Frankly, when someone is worrying about how they are going to put food on the table and whether they are going to meet this month's mortgage payment or even keep their job, the last thing they want from their political leaders is a sterile constitutional debate. I therefore hope that we can have some respite from more bids for powers for the Welsh Assembly. Now that the eminent diplomat charged with running the convention on whether or not Wales should have a referendum on more powers is busy in the Balkans, perhaps those who want to balkanise Britain will now leave it alone for a while.

Adam Price: I should be interested to hear the right hon. Gentleman's response to my practical and relevant suggestion that additional borrowing powers for the Welsh Assembly Government would, in fact, help us to combat the economic crisis that we face.

Mr. Touhig: I was very happy to give way to the architect of "new Plaid", and I think that he had some positive and important things to say. I am sure that they will be listened to by Ministers, because these problems will not be solved unless we all work together. I recognise that that is an important point to make.

One of the vital strengths of the Welsh economy is the readiness of our companies, both large and small, to use flexibility and to make and take opportunities for enterprise and innovation. Although we have made great strides in encouraging people to establish businesses in Wales—Wales is still a great place to invest and to grow a business—there is much to do. We have to believe that we are going to come through this economic downturn. That belief is important to our future.

Our economy will grow and our standards of living will improve, but we must be cautious about putting up what some may say could be barriers to investment. Here, of course, I am referring to the proposed Welsh language legislative competence order, which will be considered by this House in the coming months. My right hon. Friend the Secretary of State referred to a BBC reporter's blog; it is good to see that the licence payer's money is being used to help BBC journalists in Cardiff to promote their own political prejudices. We all know the BBC and its prejudices.

That LCO could be the biggest shot in the arm for the Welsh language in modern times, so I welcome the announcements by the Secretary of State for Wales and the First Minister, who have promised the widest possible consultation. Certainly, for my part, I am content that the Welsh Assembly should have the responsibility for dealing with matters relating to the language, but such a power, should it be given, must be exercised in the interests of all Welsh men and women—the 20 per cent. who are bilingual and the 80 per cent. who are not. In the coming months, I intend to ask a number of questions about the LCO, because it is not simply about the Welsh language; it will have an impact on our economy. Macro-economic policy is not devolved, and we have a proper duty and a right in this place to ask questions.

Mr. David Jones: The right hon. Gentleman is making an important point about the Welsh language LCO. Does he agree with me that it is a proper function of the Select Committee not only to scrutinise the bid itself, but to scrutinise, by taking appropriate evidence, the measures that might be brought forward under the terms of the LCO, if it is passed?

Mr. Touhig: The hon. Gentleman makes an important point, and I shall answer it in a moment.

It is not good enough in this instance for us to be told that the Assembly will decide the measures—how it will use the new powers—if the LCO is passed. We cannot take a "suck it and see" approach. We need to know now and in some detail the implications of the measures for jobs, the economy and the voluntary sector in Wales.

I have many friends whose first language is Welsh, and I celebrated with some of them at a 40th wedding anniversary party last week. They do not want to become part of some linguistic crachach, in which jobs are reserved for the 20 per cent. of our countrymen and women who are bilingual and denied to the 80 per cent. who are not. Let us have the consultation and the debate we need—let the people of Wales speak. I encourage every business, voluntary group and individual to write to their MP and AM, the Welsh Secretary and the First Minister and ask questions—starting with questions about what the LCO will mean for them, their company or the charity they work for.

Mrs. Madeleine Moon (Bridgend) (Lab): Does my right hon. Friend agree that it would be helpful to have a clear understanding of how much we spend every year on implementing existing legislation on the Welsh language, so that we know how much it costs the Welsh Assembly, the voluntary sector and the business sector? Then we could estimate the future spend as well.

Mr. Touhig: That could be a question for scrutiny by the Welsh Affairs Committee. I am sure that hon. Members on both sides of the House will receive letters from their constituents about that matter.

With the country facing serious economic challenges, along with the rest of the world, it would be a serious step indeed to impose even more regulation on companies in Wales. I have one final word on this matter. Over the years, we have had very successful Welsh language policies. My right hon. Friend the Secretary of State referred to the Wales Office's language policy; I was the Minister who oversaw the introduction of that very successful policy. Such policies have been adopted by companies and the voluntary sector—I emphasis the word "voluntary". I hope that during consideration of the LCO, the idea of making any language scheme voluntary will be considered and ultimately adopted. I think that that would be supported across Wales.

For all the challenges that the present economic downturn brings, we must never lose sight of the fact that Wales is part of a global economy that will double in size over the next 20 years. The ideas expressed in the debate so far will contribute to the debate on how we approach that growth. There will be great opportunities in the future, but we must be ready to grab them. Our underlying purpose should be to make Wales a global leader in all those industries and services where our skills, our creativity, our enterprise and particularly our flexibility is known and is world-class.

The Work Foundation has published a report called "Manufacturing and the Knowledge Economy". It argues that the old way of separating manufacturing and services does not reflect the interconnected, interdependent nature of modern manufacturing, and I agree. Companies such as Rolls-Royce make more money from service contracts, sales of licences and hours of flight time on their engines than from manufacturing the engines in the first place. Car makers run finance houses offering loans to people who want to buy cars, and pharmaceutical companies offer health care services as well as selling drugs.

The great challenges that we will face in the coming years are not Welsh but global, and we have to be able to compete. Our real competitive advantage will be our knowledge base and capacity for innovation. In simple terms, we have to be smarter, quicker and more adaptable than our competitors. The world is undergoing a new industrial revolution—the knowledge revolution—fuelled by the pace of technological change, and Wales must be at the forefront. The only way in which countries such as Wales will be able to compete is to retrain and upskill our work force to face the challenges of the future. We have to stay ahead, with new and innovative ideas, which we can fully exploit only if we have the skills to do so. Put simply, we have to stake a claim to be the linchpin of the new knowledge economy.

With those challenges come great opportunities, and Wales could and should be at the forefront of making the most of them. I have always believed in our great strength as a society and in our capacity to respond rapidly to changing circumstances. However, we are facing challenges that may be greater than any that we have faced before, and we cannot be found wanting. There is too much at stake.

4.30 pm

Lembit Öpik (Montgomeryshire) (LD): It is clear that, as in previous recessions, manufacturing in Wales has suffered more than any other industry. We all know that, according to a CBI survey, demand for manufactured goods in Britain is at its worst for 17 years but, like the right hon. Member for Islwyn (Mr. Touhig), I believe that the recession offers us an opportunity. He accurately encapsulated the importance of having the right attitude to the challenges that we face.

In my constituency of Montgomeryshire, as in all Welsh constituencies, small, medium and large businesses face real hardship. Recently, I have made sure that, as far as possible, I am aware of the difficulties that businesses on the high street and in the local manufacturing base face. I have met many representatives from companies that are experiencing difficulty, including Woolworths, which of course tragically closed not long ago, and Stadco, which is threatening to cut more than 100 jobs in Llanfyllin.

In addition, I have met representatives from Floform in Welshpool, which closed dramatically and suddenly a week ago, and I have met Gareth Pugh, whose construction business in Abermule seems to be going well despite his problems getting loans from the banks. I have also met people from Total Network Solutions and dozens of other companies.

I have also listened to the voices in Westminster clamouring for long-term solutions to the crisis. In particular, I have listened long and hard to my hon. Friend the Member for Twickenham (Dr. Cable), our esteemed economics spokesperson. I think that I can say without fear of contradiction that, at the moment, he is effectively the Chancellor of Britain.

The definition of the problem is pretty straightforward. I think that we in mid-Wales have been in recession for about three years now; without a new direction for our Wales economy, I believe that the problems that we face will only spiral. Salaries in Montgomeryshire and in Brecon and Radnorshire are down in real terms, according to objective data. We also know that unemployment in Wales alone has risen by 28 per cent. in the past year. This month, it affects 7 per cent. of the Welsh population. There has also been a 69 per cent. increase in jobseeker's allowance claimants in Montgomeryshire in the past year.

Even the farming industry has suffered in the past few years. It has been blighted by bluetongue and bovine TB, and there is also the continuing dispute about how farmers are able to control foxes. The inability to control that pest in the most efficient way has an economic cost for farmers in my constituency. Therefore, I hope that the Minister will assure the House that he will do everything he can to prevent the introduction of electronic identification tags for sheep in Wales, which would merely place even greater pressure on our already overstretched farmers and rural economy.

Like many other constituencies in Wales, mine has seen businesses close. Powys had the highest VAT deregistration rate in Wales in 2007, with 54 businesses closing and huge job cuts as a result. Manufacturing firms have been predominantly affected by the shrinking of consumer demand. I have mentioned a number of those companies already, but this week I learned that Control Techniques, a very successful international electrical firm in Newtown, is facing another 30 redundancies in the very near future.

As a result, it seems to me that both the Welsh Assembly and the Government here must produce a specific plan of action, because the rescue packages that

[Lembit Öpik]

have been announced so far are not making a discernible difference in Montgomeryshire. I certainly do not deny that the Government are operating in good faith, and I support many of the proposals that they have made, but we need the action being taken to achieve results before many more jobs are lost.

In that sense, I want to thank the Minister for agreeing to come to a meeting that I hope to arrange in the very near future. He will be able to hear directly about the problems that local small and medium-sized businesses in Montgomeryshire are facing. He has been generous in making that commitment of his time, and I assure him that he will have a constructive and insightful session. I believe that it will probably give him a good insight into the typical problems facing small and medium-sized businesses across rural Wales as a whole.

The core issue, it seems to me, relates to the banks. They should not be reining in overdrafts and increasing interest rates on overdrafts for their existing customers, as they have. I am sorry to report to the Minister that much of the good work that is being put in place by the Government is being undermined by the banks, which are paying lip service to their partnership with the Government but, in any practical sense, are reining in the level of debt that their existing customers can secure.

The Secretary of State already knows that in my constituency successful businesses have been forced to accept massive reductions in their overdraft facilities. I accept the conflicting demands on banks to shore up capital as well as to increase lending to small businesses, but they are in full knowledge of the support that the Government are giving them, yet they refuse to extend a hand to those businesses that are struggling to get by without their help. The message is simply not getting through.

I find individual bank managers very co-operative, and have had many useful meetings with the major banks, but I am very close to naming those banks in my constituency that do not co-operate with the needs of business people. I hope that the Minister can pass that message through the Treasury to the banks, which are effectively in national control. They are morally obliged to co-operate to ensure that we do not lose more jobs needlessly in Montgomeryshire and across Wales as a whole.

I would also suggest that we need a rather clearer economic narrative for Wales, and that has been touched on by other speakers, as well as an overarching strategy to pull us out of the recession. I am sure that a number of hon. Members would also agree that with the downturn mid-Wales has the potential to be the environmental capital of Britain, as we have seen through the Centre for Alternative Technology and the fact that we export many ideas to other parts of Britain and Europe. The other side of that should be to create specific eco-companies that lead the way with green technology development as well as exporting those ideas elsewhere. If we look at Wales as an eco-nation, we can ride the wave of a growth industry at a time when we need to clarify our political narrative.

Let me make two more short points. In mid-Wales, we are fast becoming not only the eco-capital of Britain but the wind turbine capital of Britain. There are mixed reactions to turbines, but in my view those turbines and the strategy of enforcing the installation of hundreds of new turbines in the form of wind farms in Montgomeryshire is misguided. They do not produce baseload because they are not a reliable form of energy. Although I would not be against them if they provided a substantial contribution to British energy requirements, my worry is that we would need 2,000 turbines to replace a single conventional power station. When the larger proposals come forward, as they will inevitably find their way to Westminster rather than Cardiff due to the exigencies of the legislation, I hope that local opinions and the cost-benefit analysis will be taken objectively into account. Although it looks like the Government are doing something when the turbines go up, they are not necessarily making as good an environmental policy decision as it might at first sight appear.

My other point is one of praise, and concerns flooding in Montgomeryshire. The Severn flood plan occupies an extensive proportion of the land area of my constituency and we have been blighted with some serious flooding issues over the past few years. I have been working with the Environment Agency to see whether we can modify some of the policies that are imposed. A number of my constituents are concerned that they will end up as the victims of enforced flooding in order to protect other towns and settlements downstream. I am happy to report that as a result of conversations with the Environment Agency and Ministers, the Environment Agency has modified its policies, specifically policy 6, in order to take local concerns and feedback into consideration in its decision-making activities. That is a success story and it shows that if one works strategically with the Environment Agency and similar bodies, one can make a local difference by altering national policies for the greater good. I thank Wales Office Ministers for their co-operation in achieving an all-round good result.

I should like real progress, with a partnership approach in terms of both economics and the environmental considerations that particularly affect Montgomeryshire. With the right infrastructure developments, both in connecting the rest of Britain to Wales through improved rail, road and air links, as well as a continued commitment to improving the canal and waterway system throughout Wales, we could see Welsh tourism flourish under the credit crunch, when more and more people will choose to holiday in the UK.

I close with two requests. The first is that if the Government are genuinely to feed a large amount of money into trying to restart the economy, they could do a lot worse than invest in reconnecting Montgomery canal to the rest of the network. It is a multi-million pound scheme of construction work that would provide much-needed employment in the sectors that are suffering most.

My second and final request is that the Minister heeds the advice of others who have spoken today to take a strategic approach to developing a hub and spokes air service across Wales. I declare an interest as a pilot in a fledgling air taxi company, which formerly transported the right hon. Member for Neath (Mr. Hain)—without accident. I offer my humble services to fly the Minister about if he wants but, more importantly, to ensure that Cardiff international airport is connected to Welshpool international airport—if I can describe it

thus—for the greater good of connecting Wales by air, not, we hope, just for economic benefit but for cultural benefit too.

I look forward to seeing the Minister in my constituency and I shall make sure that his visit is satisfactory and worth while, both for him and for the businesspeople whom he will meet.

4.41 pm

Julie Morgan (Cardiff, North) (Lab): It is great that we are holding this debate, celebrating St. David's day three days early. When I was preparing for the debate, I learned that St. David is sometimes called the patron saint of vegetarians, which was news to me. He was a committed ascetic and beer was banned in his monasteries.

I wondered how those interesting points related to modern-day Wales. The Secretary of State mentioned the historic task of the Welsh rugby team tomorrow evening in France. If the team is successful, I do not know what St. David would think about the celebrations, but I certainly think that we all wish the team every success tomorrow evening in France.

We are going through a difficult time economically in Wales and throughout the UK. As has already been said, it is important to tackle the economic difficulties at all levels—internationally, nationally, in Wales and locally. I am pleased that the Prime Minister is going to the United States next week to speak to both Houses of Congress, to hear at first hand the details of President Obama's plans and to see how we can work together internationally to tackle the crisis.

There are long-term and short-term things we can do to help the economy in Wales. Transport links should be improved, and I am pleased that the Government are planning such improvements, in particular the rail links to Heathrow and the electrification of the railway line from London to Wales. On Tuesday, I was pleased to meet Lord Adonis in the all-party group chaired by my hon. Friend the Member for Swansea, East (Mrs. James). Other Members in the Chamber this afternoon attended the meeting, too. Lord Adonis accepts the point that if south and west Wales is to attract business and develop its economy, it is essential that direct links to Heathrow are developed. Ideally, that would involve trains from south Wales running directly to Heathrow, via a loop from the main line to Paddington. A connection near Heathrow is being considered, with a shuttle service to the airport, but a direct service from south Wales to Heathrow would be infinitely preferable. I also support improvement to Cardiff airport in Rhoose.

Many right hon. and hon. Members have signed my early-day motion, which urges the International Baccalaureate Organisation to stay at its base in Cardiff and now has 125 signatures. I thank those Members for their support. Sadly, at the organisation's board meeting two weeks ago, it confirmed its plan to move its European base to Amsterdam. It described Cardiff as remote and criticised the transport links. I condemn its decision, which does not recognise the work of its 330 staff, who have made it such a success. It now intends to expand, doubling the number of students, to create three international hubs, with Amsterdam as the European one.

Plans to improve links to Heathrow might have played a role if their implementation had been much more imminent, but the organisation's mind was set on no longer having its headquarters in Cardiff and Wales. That highlights the importance of transport links, particularly those to Heathrow. The electrification of the main line from London to Heathrow must not stop at Bristol. The Severn tunnel must not be used as an excuse not to continue the electrification into Wales. We must do all that we can to influence the Government to ensure that that happens.

To help in the present situation, we must also push forward the capital building programme, something that the Government are already trying to do. I am very pleased that we in Cardiff, North have been given the go-ahead for the £70 million Whitchurch hospital development, which will provide acute and out-patient facilities. I hope that that will start this year, as it will be a big boost to the building industry, as well as an improvement to mental health services. It will replace the old asylum-style Whitchurch hospital, which is preserved by Cadw and has a certain charm but is certainly totally unsuitable for the treatment of mental health patients in the 21st century.

The plan to build a new hospital has caused anxiety among some mental health patients in Cardiff, because the day facility—Tegfan—will be knocked down as part of the process. However, we hope that another place has been identified in the hospital's grounds, where a small capital building programme will produce another day centre. If all that starts this year, it will be very positive and help both the mental health facilities and all the builders, plasterers, carpenters, brickies and everyone who will get the work if those capital building programmes go ahead.

I am very pleased that the go-ahead has been given for the Cardiff, North medical centre. It is a much smaller project, but it will also stimulate the building industry in my constituency and provide good, up-to-date facilities for the people of Pontprennau, Thornhill, Llanishen and all the people of Cardiff, North. The original building was lost to a devastating fire.

I welcome the extra millions of pounds committed by the Government, as my hon. Friend the Member for Vale of Glamorgan (John Smith) said, to the defence training academy at St. Athan in the Vale of Glamorgan, which is accessible to people coming from my constituency and all the surrounding constituencies in south Wales. Again, the capital building programme will provide a great impetus to all the building trades, as well providing long-term employment. Introducing such capital spending is one of the key ways to keep employment and boost the building trade. Transport and a capital building programme are two of the things that we should be working on.

I pay tribute to the Education and Skills Ministers in the Assembly—Jane Hutt and John Griffiths—for their extreme swiftness in developing the ProAct programme. It is an ideal programme, under which people will not fester at home when they are unable to work. They will be able to go out and get skills that will enable them to improve their job chances or to continue in their jobs with increased skills. That is exactly the sort of programme that we want. We have discussed today how many people it has reached, and obviously we do not yet know how many firms and individuals have benefited from it. However, I understand that 150 firms asked for information, and no doubt many of those requests will develop into actual help.

[Julie Morgan]

It is important that the Government look again at the planned reductions in the number of civil servants. There have been plans to downsize the civil service to make efficiency savings, and if there are jobs that are not productive and efficiencies can be made, we should make them. However, it is worrying that the cuts will be made when there is growing unemployment in areas where civil servants are working. Furthermore, there is a real problem at the Department for Work and Pensions, given that more people need help. It makes no sense to reduce the number of civil servants and offices at the Department, given that there will be huge demand for its services. The Cabinet Office Minister at the Committee meeting that I attended this morning acknowledged that we should look at that issue—perhaps the DWP will need more, rather than fewer, civil servants, given that we want to give individual help to people so that they can get jobs.

Finally, I want to make a point about the Severn tidal barrage. I am glad that we have reached the stage of considering the short-listed schemes. We have to weigh the huge advantages of the energy that the barrage can produce against the environmental consequences and come to a decision about which will give the greater boost to the environment. Sometimes when we hear about the environmental disadvantages, we do not weigh them against the huge environmental advantages. Obviously, I want to see what the impact study comes up with, but I come from the position that the barrage would be a great step forward to harness all the power of the Severn estuary. I accept that it will be a tragedy if the Severn bore goes and I know that there are environmentally damaging features, but let us weigh those against the huge increase in energy provision.

In conclusion, I should say that St. David's most famous affirmation was that we should do the little things; I did know that he had said that. We need to do the little things at local government and community level and build up to the international level. In that way, we will be able to tackle the difficult economic situation together.

4.52 pm

Mr. Dai Davies (Blaenau Gwent) (Ind): People in my constituency have campaigned against the funding formula for local government for more than 10 years. I was recently at yet another presentation by Lord Barnett, who accepted yet again that there is a need to consider a needs-based formula. My constituency's uplift for this year of 1.5 per cent. will result in the loss of front-line services and a staff reduction. In my opinion, that is unacceptable. I urge the Government to bring forward a review of the Barnett formula at the earliest opportunity. The Assembly is looking into the issue, but the time being wasted is costing our constituencies very much.

The worry is that the £500 million cut for next year will be even worse for us; that cut in services will go very deep. I also ask the Government to review the rates on empty property. If local government bodies own industrial parks, they have to pay hundreds of thousands of pounds in empty property tax. The principle behind the tax—to get people to use properties quickly—was good. However, given the economic crisis that we are in at the moment, that is not a reality.

I am sorry to say that the problem with the banks is not new; it has been going on in my constituency for a considerable time. I raised the issue in 2006 in the House, soon after I first entered it. The problem is that average wages in my constituency are around the £17,000 mark, but house prices there average £100,000. Banks were giving 100 per cent. mortgages, the debt bubble just grew and grew and nothing was done to reduce it until the global crisis.

Credit card interest is a huge problem. The interest rates are absolutely enormous and cost our constituents huge amounts of money on the basis of what they borrow. Taking the point made by the hon. Member for Brecon and Radnorshire (Mr. Williams), we need to do all that we can to put money into people's pockets, as well as looking at loans to businesses. I support loans to businesses, but without people buying, those businesses will still suffer—they will just borrow more and more.

We have heard a lot about the global economy. This country of ours—Wales, I mean—has exported for hundreds of years. It has led the way in exporting. Going back to the civil war in America, we exported cannon balls. We have exported everything, from coal to steel to—as now—modern technology. The problem is that those at the top over the past 10 years have got richer and richer while those at the bottom have suffered because of it. There will always be enough in this world for everybody's needs, but there will never be enough for someone's greed, and the greed of those individuals has destroyed the financial services. The financial control of these companies belongs to the many, not the few. We need to bring bank controls back to local economies and local areas—through credit unions, for example.

On regeneration, one of the projects that is vital not only to my constituency but to that of the Secretary of State and to constituencies along the Heads of the Valleys road is the dualling of that road. It is a massive project that will take a long time, but delaying it is causing huge problems to businesses in our areas. It is also a huge opportunity for construction and people's jobs. I urge the Secretary of State to do all that he can to bring that project forward.

We have heard about rail services. The launch of the rail link in my constituency last February—a year ago now—has been so successful that the passenger numbers projected for the fourth year are travelling on it already. That is a fantastic demonstration of what rail can do for us. I urge the Secretary of State and the Government to look at where we can extend rail services. That is a massive opportunity. We had services across all our valley communities, and we need them back.

The shadow Secretary of State touched on tourism, but she did not mention history. The history of the south Wales valley built the world. The industrial revolution spread from Cardiff to Merthyr to Torfaen to Blaenau Gwent. There is a massive opportunity to tell our story, especially to the Americans. We virtually built America—let us bring them back to spend their money in our constituencies! To do that, however, we need integrated transport. Bus services and rail services need to work together. They are not doing that at the moment: they are increasing in one area and reducing in another. We have seen regional buses taken off and bus services cut. That is not good news for us.

The Welfare Reform Bill is going through Parliament. Last week, I mentioned that in my constituency we have 3,000 people looking for work and 6,000 people on

incapacity benefit—a total of 9,000 people and an average of 200 to 250 jobs. That does not fit. However, the training opportunities are huge, and that is a real goal. Within that, we must get joined-up services. The hon. Member for Cardiff, North (Julie Morgan) mentioned jobseekers and jobcentres. Jobcentres need to work with other organisations as well. When individuals enter them, they are dealt with just in that one place. There is lots of help out there, but we need joined-up thinking, not working in isolation.

Funding for further education has been raised on several occasions. I urge the Secretary of State—I know that this is a subject very close to his heart—to speak to the people at the sharp end. When we as politicians speak to the people who run these facilities and educational establishments, they tend to tell us what we want to hear. Staff and students in the three establishments that cover my constituency, tell me that they are in trouble. They will not be able to provide the services that they do already, and certainly not the services that we need for training opportunities.

I want to touch on two other subjects. The first is the steel industry, which is close to the hearts of many hon. Members. There are continuing problems in that industry. The main plant shut down in my constituency in 2002. Across the country at that time, we lost 10,000 jobs, and we are now seeing another 2,500 go. We must do everything we can to give the steel industry a level playing field. I have urged the Leader of the House to initiate a debate on the future of the steel industry, and I hope that that will happen in the near future. One of the areas for which we can use the industry is training. It has one of the best training records anywhere and I urge the Government to look at that when we look at the apprenticeships Bill. The opportunity in Wales to use the industry to train is massive.

Lastly, I have another big concern. I know that many Members have been in contact with the police authorities and the police themselves about threatened and perceived cuts to police funding. We hear from this House that money is being spent and that more police are on the streets, but in my constituency we have seen some police stations shut down and some have cut their hours, and there are fewer police on the streets. We need to get the record straight, whichever side is right or wrong. We need to come together and sort it out. In a time of downturn, we will see more people on the streets. We may well see more crime because of it, with people forced into situations such as house repossessions. It is not going to be easy, but we need to work together to ensure that our communities are safe and ready when the global downturn turns around, so that we are there to respond to it.

5 pm

Paul Flynn (Newport, West) (Lab): The problems of the credit crunch in my constituency mainly affect the manufacturing sector. At one point, 30 per cent. of Newport's work force were involved in manufacturing, and about half of that figure are involved now. We have had serious problems, such as redundancies and short-time working in Novelis, Quinns radiators in Llanwern and Panasonic. These are terrible blows to the many thousands of workers concerned and their families. The only good thing to have come out of this recession is that there have not been any closures. No one has closed down a plant, or a section of plant, and then demolished the plant itself. Sadly, that happened in Llanwern in the last recession, where they started to knock down the coke ovens in the very week that the price of coke rocketed throughout the world, and we ended up importing coke from China.

There is optimism that the manufacturing industry will be ready to take off when we come out of the other side of recession. There are some good news stories. A month ago, a plant opened on the docks in Newport, at Sims, which is the biggest of its type in the world, and it is next to two other plants that are the biggest of their type in the world. The Sims plant deals with redundant electronic equipment under the waste electrical and electronic equipment directive, and it is a remarkable piece of machinery. Old computers, vacuum cleaners, calculators and so on are wheeled in one side, and at the other end they come out as four different types of plastic, metals and precious metals such as silver. It is a wonderful piece of equipment that is unique to the world, and the biggest in the world. Next to it, on the same docks, is the biggest piece of end-of-life car recycling equipment in the world, and next to that is the biggest refrigeration recycling plant in the world, which is also the most efficient at extracting gas. There are therefore some good news stories to tell.

Much that is good is happening in Wales this year. It is the 10th anniversary of having our own Government on the soil of our country for the first time in centuries, and we should acknowledge what a success that has been, particularly the One Wales agreement, through which two parties are working together to give us stable government in Wales that can plan for the future. I am looking forward to that anniversary being suitably marked. Unfortunately, it is up against—*[Laughter.]* I hear laughter from one of the obstacles that I was going to mention. The two main obstacles to the Assembly and drag anchors on it have been neurotically power-retentive Welsh Members of this House who weep when they see power flowing down the M4 to Cardiff, and the inertia of civil servants who do not like change and are not attuned to taking on purely Welsh initiatives, particularly those that come from the Labour party. It is significant that about half a dozen of the civil servants at the Welsh Assembly earn more money than the First Minister himself.

I have been asked to be brief, but I have great concerns about the Welsh language legislative competence order. I think that it will make little difference to the Welsh language. In 1961, Saunders Lewis made a great speech, entitled "Tynged yr Iaith", that shook the Welsh-speaking nation—saying that the Welsh language would be dead by the year 2000. It should have died out centuries ago, given that it is spoken by fewer than 1 million people and is up against a great world language, but it has prospered magnificently. A list has been mentioned of prominent people from Wales who have won competitions on UK television for choirs, performers, singers or musicians. Many of them are the products of Welsh language education, because of its emphasis not just on the Welsh language but on music and acting skills. It is a great success story, and we have been successful in many other ways as well.

Mr. Touhig: Does my hon. Friend recognise that when we were councillors together, we made great strides in putting investment into Welsh medium education in Gwent, which has benefited greatly? That was done by Labour councillors.

Paul Flynn: My right hon. Friend tempts me: I came into politics as the secretary of an organisation to set up Welsh language schools in Gwent in 1969, when my late daughter came home from school and announced that she had learned her first ever Welsh song. I asked, "How does it go?" She said, "It goes like this: 'The land of my fathers is dear to me'." "Hen Wlad Fy Nhadau" was being taught in English in Newport at that time. We have made huge strides, and I think that there are now six or seven schools that teach in the Welsh language. The Conservatives are right to take pride in the Education Reform Act 1988, which means that conversational Welsh can be spoken in English medium schools. Certainly the Labour party, Gwent county council and other Welsh councils have a lot to be proud of.

My final point about the LCO is that I am concerned about what we are creating. The Welsh Affairs Committee is doing a prodigious amount of work on it, on top of all the other work that it has been doing successfully for years, but it is not the right body to be, as it has been described, a "revising chamber" for the Welsh Assembly. If such a thing is desirable, as it may well be, we should have an organisation that reflects the democratic votes of the people of Wales, which the Committee does not. More than a quarter of its members are Conservatives, and one of them does not represent a single Welsh vote. There are 25 Welsh Labour Members who do not have a voice on it at all.

There are two organisations that represent all Welsh MPs. One is the Welsh Grand Committee, which I am afraid was set up as a sop for devolution many years ago and is mired in failure and futility. It is not thought of as a serious body at all. However, there is another body that should be re-exhumed: the Welsh parliamentary party. It was set up in 1888, and for the period between 1892 and 1906 held the balance of power in the Chamber. It could have taken over and acted in the same way as the Irish parliamentary party did at the time.

The Welsh parliamentary party has gone through long periods of hibernation and been revived each time. The most recent revival was by a Conservative Secretary of State when the Conservatives wanted the Welsh Grand Committee to go to Wales. The Welsh parliamentary party put a condition on that, saying that the use of the Welsh language should be allowed, and that a monolingual Chamber here should not import monolingualism into Wales. That was the last time that the party met. The current situation is similar to the one in the 1930s, when Members of all parties decided that the challenge was so serious that it needed the input of all Welsh MPs, regardless of party affiliation. I believe that we should revive the Welsh parliamentary party, because it would be the ideal vehicle to deal with LCOs in a far more acceptable way. We cannot just have the Welsh Affairs Committee taking on that extra burden and becoming a revising chamber by default. We should decide what is the ideal way of doing things, and the best way is to have a body to revise LCOs that is open to every Welsh MP.

5.9 pm

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I am the only English Member of Parliament to speak in the debate and I look forward to presenting a perspective on cross-border issues that affect my constituency of Shrewsbury as a result of devolution in Wales.

It is appropriate to hold a debate on Wales—it gives Welsh Members of Parliament a tremendous opportunity to talk about the Principality. However, I greatly regret that the Government have not fulfilled their commitment and kept their promises that we would have debates in the Chamber on the English regions, and that there would be a Question Time about the English regions. My region—the west midlands—has more people than Wales and contributes more to the gross domestic product of the country as a whole than Wales, yet we have no Question Time and no opportunity to discuss the issues that affect us.

Mr. Touhig: In view of the hon. Gentleman's comments, I hope that the Conservative party will submit names for the regional Select Committees that the Government are trying to set up.

Daniel Kawczynski: I believe that we have. It is important that the Government introduce English regional debates.

I believe that the seats in the United Kingdom—

Madam Deputy Speaker (Sylvia Heal): Order. The debate is about Welsh Affairs. However strongly the hon. Gentleman feels about issues that relate to other parts of the UK, I am sure that his remarks from now on will be about Welsh Affairs.

Daniel Kawczynski: Very much so, Madam Deputy Speaker. I was about to mention Montgomeryshire, which is the seat next to mine. The hon. Member for Montgomeryshire (Lembit Öpik), who has already spoken and is an assiduous Member of Parliament, represents 57,000 constituents, whereas, just across the border, I represent 74,000 constituents. That is a staggering extra 17,000 constituents with whom I must deal in comparison with the Welsh Member of Parliament just across the border. That is important, because we all want to do everything possible to support our constituents, table Westminster Hall debates for them and ask questions on their behalf. When Members of Parliament have the same budget, but 17,000 more constituents, that is a problem which we must tackle.

Lembit Öpik: The hon. Gentleman gets the figures right, but he must also recognise that the geographical area that he covers is much smaller than mine. Montgomeryshire covers 765 square miles. If the constituencies get too big, they become unmanageable for geographical reasons. He has his cross to bear and I have mine.

Daniel Kawczynski: The hon. Gentleman is luckier than most because he flies around in his little plane. He has taken me up in his plane across our two constituencies, so I am sure that he can get around Montgomeryshire in his plane more easily than I can get around Shrewsbury and Atcham in my motor car.

I want to consider proportional representation in Wales. I am joint chairman, with the hon. Member for Central Ayrshire (Mr. Donohoe), of the all-party group on the promotion of first past the post. We recently went to the Scottish Parliament to take evidence from Members of the Scottish Parliament about the problems that they have encountered with proportional representation. I perceive proportional representation

in the Welsh Assembly as a threat ultimately to our electoral system in England. I believe that there should be one electoral system for the whole United Kingdom. At the end of the day, we are one country, and there should not be PR in Wales. Being elected under first past the post to represent a constituency makes one accountable to the people in that constituency. All parliamentarians here have a tremendous bond with their constituents. They know that we are accountable to them, that we live in the constituencies that we represent and that we are directly elected by them. In my view, PR is a travesty, which increases the distance between politicians and those who elect them.

Mr. Roger Williams: Has the hon. Gentleman checked that point of view with the leader of the Conservatives in the Welsh Assembly, who was elected under the proportional system?

Daniel Kawczynski: As the hon. Gentleman knows, my main duty is to England and I speak on behalf of my constituents.

The Welsh Assembly creates huge difficulties for English border towns. As I said earlier, the Royal Shrewsbury hospital loses £2 million a year as a result of the different mechanism whereby the Welsh Assembly pays for treatment across the border. When I made that point to the Chairman of the Welsh Affairs Committee, he gave a derisory reply. We have patients coming from Wales to the Royal Shrewsbury hospital who get life-saving medication to which my constituents in Shrewsbury are not entitled. I have to fight tooth and nail to secure life-saving treatments for my constituents that people from Wales get automatically in our hospital. That causes huge frustration and anger and divides our two communities.

Another problem is bovine tuberculosis. We in England had to kill 40,000 cows last year as a result of bovine TB. I am grateful that the Welsh Assembly is looking into that terrible problem and that it is holding trial culls of badgers in Wales. It is just a shame that there is not more co-operation between our Parliament here in London and the Welsh Assembly over the issue, which transcends our borders. There should be far more assimilation and co-operation in dealing with such major issues.

The hon. Member for Montgomeryshire also mentioned flooding. He thanked the Minister for his intervention, which he said would prevent part of his constituency from being flooded. However, flooding causes tremendous misery on our side of the border. Shrewsbury floods repeatedly, as do all the other towns on the River Severn, through Herefordshire, Gloucestershire and Worcestershire, causing hundreds of millions of pounds of damage in lost business. The way to resolve the problem is not to have little barriers in each town, but to have a wet washland scheme at the source of the River Severn, across the border in Wales, which would flood a large piece of agricultural land, which would become a marsh in the summer, encouraging wildlife, and a lake in winter. However, the hon. Gentleman said that thanks to the Minister's intervention that proposal has been blocked. I shall be telling my constituents in Shrewsbury about that and trying to find out more about how the Minister intervened to prevent mere scrubland or agricultural land from being flooded in a rural part of mid-Wales. The Minister is happy to do that, despite all the suffering from flooding in Shrewsbury and all the other towns down the River Severn. That is simply unacceptable.

On a positive note, I should like to put in a plug for the Wrexham-to-Marylebone rail service, which goes through Shrewsbury. Welsh and English MPs are working together to secure that link, which is vital for business and tourism. However, Virgin Trains and Arriva are doing everything possible with the Office of Rail Regulation to try to scupper that service. I very much hope that the Minister will do everything possible to safeguard that important service, which operates from Wrexham to London.

I have great concerns about the grants that the Welsh Assembly gives to businesses, which are much greater than those that we can afford in England. Those grants are uncompetitive and unfair. They lead to many Shropshire firms going just across the border to set up business and thus causing—[Hon. Members: "Hear, hear."] Hon. Members are cheering, but those moves are leading to significant job losses in Shropshire.

Finally, a lot of Welsh children come across the border to go to schools in my constituency. Many rural primary schools are under threat from closure because we receive only £3,300 per annum for every child and we are ranked 147th out of the 149 local education authorities in England, which is leading to huge pressure on our schools. I hope that the Minister will bear that in mind as well.

I am trying to say this respectfully, as the only English MP in a Welsh debate, but what I am trying to get across is this: I love Wales. We went on holiday to Wales last year, to Mwnt bay, which is absolutely beautiful. My family and I even spent an afternoon on the beach in Mwnt with my hon. Friend the Member for Preseli Pembrokeshire (Mr. Crabb) and his family. During my holiday I also met the hon. Member for Ceredigion (Mark Williams) in Aberystwyth, in his constituency. We all love Wales and we all want to see it prosper.

I am just trying to convey some of the problems and frustrations I have as a Member of Parliament representing a border town that is losing out in certain ways as a result of increasing changes between the Welsh Assembly and our own Parliament. I very much hope that we can all work across the border because, at the end of the day, we are one country and we should be working together to improve the lives of our constituents in both countries.

5.19 pm

Albert Owen (Ynys Môn) (Lab): It really is a pleasure to follow an English MP in this debate on Welsh day. I am very pleased to be able to speak on Welsh affairs. There are, as the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) mentioned, some cross-border issues, and there are occasions when I need to speak on English affairs. It worries me that the Conservatives have proposals for English-only votes on English-only matters. That would deny me as a Welsh MP the opportunity to represent the interests of my constituents when they go across the border for essential services.

[Albert Owen]

I believe in an integral United Kingdom and in the freedom of movement of people across the borders for services and goods. I have to say that I had thought that it was only the nationalists who believed in this type of segregation; yet the hon. Member for Shrewsbury and Atcham indicated that he wanted to lift up Offa's dyke to prevent Welsh people coming across the border and businesses coming from Shrewsbury into Wales. Well, we Welsh Members in this Parliament want an equal voice on matters affecting the whole of the United Kingdom. I am here today to represent the views of my constituents on some local matters, but also on those of national interest across the UK.

In a few days' time, I hope to promote Anglesey, the mother of Wales, in the mother of Parliaments with an Anglesey day. I know that the Wales Office is co-operating on that matter so that all can benefit from the culture and heritage of Anglesey and from the economic advantages when people come into my constituency. It is about promoting my constituency.

I want to refer in greater detail to a couple of important Welsh affairs issues, into which there have been inquiries. We have heard today about the important role—I disagree with my hon. Friend the Member for Newport, West (Paul Flynn) on this matter—of the Welsh Affairs Select Committee. I think it does a good job of scrutinising Welsh legislation coming from the Assembly in the form of legislative competence orders. We take this matter seriously and we liaise with other MPs, so if they wish to raise any strong issues on behalf of their constituents, they will be fed into that mechanism.

I want to concentrate on two particular inquiries and the difference they have made to the north-west Wales region and my constituency of Ynys Môn. The first was into prisons in Wales. We worked on the important issue of prisoners having to move far away from their homes to serve their sentences—sometimes into south Wales from north Wales, but also into parts of England. That makes it very difficult for their families to visit them. The Select Committee identified the need for a prison in Wales and we lobbied particularly for a prison in north Wales.

A few weeks ago, the Justice Secretary announced a preferred site for that prison in north-west Wales, and I am very pleased about that, as I lobbied hard for it. As a result of the recommendations of the Welsh Affairs Committee, that preferred site in Ferodo in north-west Wales will create hundreds of jobs in the area. The desolate site of the Ferodo factory, which has a nightmare industrial relations history, will now provide well-paid and secure jobs. That is good evidence of the Welsh Affairs Committee raising an issue and making recommendations, resulting in benefit to the people of north-west Wales and the people whom I represent. It is evidence of the UK Government delivering for the people of my area.

Energy in Wales, which is relevant to everyone in the UK, was the subject of the other inquiry that I wish to deal with. We had a follow-up inquiry into clean coal and other technologies as well. One of the main findings that would benefit my constituency—a cross-party recommendation, made by parties including the Liberal Democrats and Plaid Cymru—was that if new nuclear development went ahead, and the United Kingdom Government supported it, existing sites in Wales would benefit from that. That was a clear, cross-party view at the time. The recommendations said that the extension of Wylfa power station needed to be considered. I can inform the House—I am sure that the Under-Secretary of State for Wales, the hon. Member for Caerphilly (Mr. David) will confirm this when he winds up—that there is movement on that issue. There is a full study looking into a possible extension, which would ensure two or three years' more generation at the Wylfa site. That would provide extra jobs, skills and opportunities to young people over that period.

I want to inform and update Members on an issue that the hon. Member for Ludlow (Mr. Dunne) raised earlier, when he was present. He is a supporter of Anglesey Aluminium, because Bridgnorth Aluminium in his constituency is one of the main customers of Anglesey Aluminium. I declare an interest as chair of the all-party aluminium industry group. The hon. Gentleman and I are working together to keep that smelter open. There is a big issue about the power contract, which is due for renewal in September. That is threatening some 600 to 700 jobs in my constituency.

All the political avenues are being explored, as I have explained in parliamentary questions, and indeed in the Welsh Grand Committee—another issue on which I disagree with the hon. Member for Newport, West. I think that it is an important forum for raising issues. He does not agree, and neither do the press, but it is an opportunity for me to raise issues on behalf of my constituency. I welcome the fact that the Secretary of State is encouraging us to hold more of those Grand Committees. They are important. I do not have a blog; some people spend a lot of time on social websites, but I like to speak in this House, on behalf of my constituency, on important matters on as many opportunities as I can get.

The issue of Anglesey Aluminium is complex, because Rio Tinto, the parent company, is shedding 14,000 jobs worldwide. It is also reducing the production of aluminium across the world, so this is a precarious moment for the aluminium industry and for the renewal of the contract. I assure the House that everybody is working together on the issue. The Welsh Assembly Government are working on a new biomass plant, after the closure of Wylfa. The Wales Office is acting as a host, and as a facilitator between the Welsh Assembly Government, the Department of Energy and Climate Change and the Department for Business, Enterprise and Regulatory Reform, to get the best political outcome. At the end of the day, it will be a commercial decision, but I hope that there are more favourable conditions, so that we can save those jobs.

I want to talk more about nuclear power, green and low-carbon energies, and the opportunity for Wales to be a leader and a pioneer in the low-carbon economy. The Climate Change Act 2008, the Energy Act 2008 and planning provisions provide an excellent framework for the development of renewable energy. The Energy Act also provides us with renewables obligations, so that there can be progress on an industrial scale. That will help to ensure that there is benefit. We must have nuclear as part of a rich mix if we want a safe, continued electricity supply for industry and our homes. I think that we are moving towards consensus on that. I read this week in *The Independent* that four leading

environmentalists have said that they are pro-nuclear. One of them was a senior director of Greenpeace, who now sees the value of nuclear power. He calculates that the perceived risks associated with nuclear power are less than those posed by climate change and global warming. If we are to continue to build a prosperous, low-carbon economy, we need nuclear power. The UK Government, along with the Nuclear Decommissioning Authority, have listed a number of preferred sites for the first wave of new nuclear build. I am pleased to say that Wylfa is part of that first phase.

A new nuclear power station in my area could create as many as 9,000 construction jobs, as well as the generating jobs that will follow. Those are highly-skilled, well-paid jobs that would benefit my constituents. There is only one brake on consensus. I read with dismay this week a letter in *The Western Mail* that was written jointly by the chair and the environmental spokesperson of Plaid Cymru. The letter said that if Plaid Cymru was ever in power and had to make a decision on new nuclear on Anglesey, it would vote against it.

Mr. David Jones: I am interested in that last point. Does the hon. Gentleman know what the leader of Plaid Cymru in the Assembly would have to say about the matter?

Albert Owen: That is an interesting question, and that is what dismays me. The environmental spokesperson and the chair of Plaid Cymru, speaking about all these national issues on television, said that they would not back a nuclear power station in my constituency. In 2007, the Assembly Member for my constituency stood on a platform and said that he was fully in favour of nuclear power. I find it inconceivable that the leader of a serious political party can say that he is fully in favour of nuclear power while the chairman and the environmental spokesperson say that they are against it. Far from being enlightened about the position of the chairman and spokesman, the electorate of Ynys Môn are confused by the mixed message, at a time when jobs are at a premium.

Adam Price: Will the hon. Gentleman give way?

Albert Owen: I will, but I want my speech to be brief.

Adam Price: What is the position of the Labour Minister for Environment, Sustainability and Housing in the Welsh Assembly Government? What, indeed, is the position of the Welsh Assembly Government, who have said that they are against nuclear power? If the issue of nuclear power were devolved to the Welsh Assembly Government, the majority of Labour Members there would vote against it as well.

Albert Owen: The hon. Gentleman is trying to confuse the issue even further. I have lobbied the Minister of State, Department of Energy and Climate Change, my hon. and learned Friend the Member for North Warwickshire (Mr. O'Brien), in the House. I have lobbied on a platform with the leader of Plaid Cymru, saying that we need these jobs in the area. I have been consistent on the matter. The Prime Minister has visited my constituency, and he supports the development. The Labour party is delivering a preferred site that includes Wylfa.

Adam Price *rose—*

Albert Owen: I will not give way again. I am very short of time, and I want my hon. Friend the Member for Llanelli (Nia Griffith) to have an opportunity to speak.

The mixed message must end. Plaid Cymru must end this division. It is putting jobs at risk. The Labour party is delivering on nuclear power in my constituency; the chair of Plaid Cymru would oppose it, and if Plaid Cymru were in power we would not have these opportunities.

I want to send the clear message that Anglesey is open for business when it comes to a low-carbon economy. Nuclear power can be a catalyst to attract others. We have windmills in my constituency which were early prototypes and have subsequently been developed further, and I also support marine turbine energy, which can provide a skills base. At the core, however, is nuclear power.

We are at a very important stage: Anglesey is now a preferred site. I want to see this happen, and the people whom I represent want to see it happen. They know that the Labour party in this place supports it, that the power is retained here, and that we will ensure that it happens.

I am standing here and fighting for what my constituents want: new nuclear build in Wales. I am proud to do that, because I believe that it is important. We should be pioneers of a new age of electricity generation. Anglesey was a pioneer of education, and I want it to be the pioneer of clean energy for the future.

5.33 pm

Nia Griffith (Llanelli) (Lab): At this time, we are all rightly concerned about the economy. Every job loss is a devastating blow for the worker affected and his or her family. I know that there has been a tremendous amount of activity both at Cabinet level and among ordinary Members such as me, in groups such as the all-party parliamentary group for the steel and metal related industry. We have been lobbying the Secretary of State for Business, Enterprise and Regulatory Reform, who has agreed to attend a steel summit to meet the appropriate representatives of the manufacturing industry, and I know that many similar initiatives have been undertaken involving such industries as motor manufacturing. However, it is important that we do not fuel scaremongering rumours and talk the economy down. That will only sap confidence and stifle efforts to get the economy moving again.

I share the concern expressed by hon. Members about the somewhat erratic and obstructive behaviour of some banks, including sudden changes in the terms and conditions of their lending. Some successful businesses in my constituency have been badly treated in that way, and only following my intervention have things got moving. That should not have been necessary. I hope that my right hon. Friend the Secretary of State will convey that message to the National Economic Council.

An extremely important element of the Labour Government's strategy to help people through the economic downturn is the determination to carry on with public investment for the future. My own county, Carmarthenshire, has an impressive school building programme, but EU

[Nia Griffith]

convergence funding is giving cause for real concern. Carmarthenshire has a number of projects that it is ready to proceed with, but it is experiencing difficulty in drawing down EU convergence funding via the Assembly. I have secured the agreement of the Deputy Minister for Regeneration in the Assembly to visit my constituency and meet council officers, but I would be grateful if my right hon. Friend the Secretary of State did all that he could to persuade Assembly Ministers to prioritise the release of convergence funding to projects that are ready to roll. I also ask him to impress upon Assembly Ministers the logic of extending the western valleys initiative to include not only Cross Hands, but the whole of the Gwendraeth valley, the most western of the south-west Wales coal mining valleys.

I turn now to a very sensitive matter: foreign workers. It is important that when we consider such matters, we attack structures and not people—that we look at structures, and if necessary criticise them and seek to change them, rather than resort to racist attitudes and comments. We are all too aware that there are organisations out there whose agenda is to breed fear and hatred and to create scapegoats, and who seem to have money to spend on glossy and very deceptive leaflets. We need to take a clear stand against such organisations and their attitudes.

I know from speaking to people in my constituency that they are not racist. They recognise the enormous contribution to Welsh society that people born abroad have made, particularly in our health service. They are, however, understandably alarmed when they hear rumours that contractors working on big infrastructure projects, such as the gas pipeline or the construction of the power station in Pembrokeshire, are taking on foreign workers—sometimes in large numbers, according to the rumours. I would be very grateful if my right hon. Friend looked into this matter and found out why foreign workers are being taken on, supposedly in preference to Welsh workers. If this is happening, we must ask why. If it is happening because employers think they can get away with shoddier terms and conditions—lower pay and fewer rights—that needs to be sorted out.

There was tremendous support among Labour Members for the Temporary and Agency Workers (Equal Treatment) Bill, and work has subsequently been done at both EU and national levels to improve terms and conditions for such workers, but we need to know exactly why these foreign firms appear to be giving preference to foreign workers. Using them on the cheap is not fair to our workers, who are being undercut, and it is not fair to foreign workers, who are being exploited. If foreign workers are being taken on instead of Welsh workers because our workers do not have the appropriate skills, we need to identify exactly what those skills are and make sure that we provide opportunities for our people to acquire them. We also need to think ahead about what skills will be necessary in future, particularly as we develop public infrastructure projects—and, it is to be hoped, when private sector opportunities open up as the economy picks up. We need to make sure, too, that we are equipping our young people to take up such opportunities.

Lastly, may I ask my right hon. Friend to wear two hats at once: that of Secretary of State for Wales and that of Minister for digital inclusion? I should like to bring to his attention the excellent work of an organisation called UCanDoIT. At present, Trina Davison, a constituent of mine, is the only person working across the whole of south and west Wales who is providing the valuable service that UCanDoIT offers. What Trina does is work with housebound people in their homes to sort out computer equipment for them and link them up to the internet. In some cases, she is working with partially sighted people, and she teaches them to use special technology that reads things out to them and gives them access to computers, e-mail and the internet. I would be grateful if my right hon. Friend met me to discuss what more can be done to extend this excellent work in Wales and give more people the opportunity to get online. For people who are housebound, internet access is particularly important, both for potential employment opportunities and for social contact, which can greatly enhance well-being.

5.38 pm

Mr. David Jones (Clwyd, West) (Con): As is the case with most St. David's day debates, this one has been thoughtful and generally good-natured, reflecting the good humour that is characteristic of our nation. I am indebted to the Secretary of State for the important information that today is, in fact, not St. David's day but the feast day of St. Isabel of France. Like him, I hope that that does not bode ill for tomorrow evening, although I am sure that it does not. Even in our part of Wales, where we prefer the spherical ball to the oval type, we are following the fortunes of the Wales team with great interest; indeed, a constituent of mine said only the other day that what he was particularly pleased about was that the only Englishman who is likely to get his hands on the Six Nations trophy is the engraver.

The debate has, predictably, been dominated by concerns about the economy. The hon. Member for Aberavon (Dr. Francis), the Chairman of the Welsh Affairs Committee, spoke about his own constituency, but he also discussed the important work that his Committee is doing not only on the process and scrutiny of legislative competence orders but on the impact that present economic conditions are having on the Welsh economy. I must rise to the hon. Gentleman's defence and say that he is an excellent Chairman: he chairs the Committee with great sensitivity and great wisdom. He does not need to be told to crack the whip. He knows how, from time to time, to tighten the screw, but he does not need to crack the whip.

We then passed on to the hon. Member for Ceredigion (Mark Williams), who also spoke about the impact of the current economic downturn. He spoke about the higher education sector, which is of course important, in his constituency and about the need for reskilling and upskilling. Importantly, he also mentioned the farming industry and the adverse impact that electronic identification of sheep will have on the Welsh agriculture sector if it is allowed to go ahead. My constituency is in many ways similar to his, and I can tell the House that many farmers there are very concerned about whether, if that system is introduced, it will be worth while continuing farming.

The impact on the auction industry would also be substantial. I have spoken, for example, to the directors of Ruthin Farmers Auction Company, which regularly sells some 5,000 head of sheep in a session. They say that it will be quite impossible to read the ID tags of

each individual sheep as it goes through. I therefore echo the hon. Gentleman's words and urge the Minister to do whatever he can to persuade DEFRA to obtain a derogation from this wrong-headed European legislation.

We had a very short and focused contribution from the right hon. Member for Neath (Mr. Hain), who probably even now is sharing a railway carriage with my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan)—I think that they are going to the same destination this evening. He spoke about a very important subject: Welsh broadcasting and English language broadcasting in Wales. There is no doubt that that sector is under severe threat. I commend to the Government what he had to say about the difficulties that the Welsh broadcasting industry is facing and suggest that they take his remarks on board.

My hon. Friend the Member for Preseli Pembrokeshire (Mr. Crabb) spoke about the deteriorating economic picture in his constituency. He spoke about the need for additional investment in further education and expressed his concern about the budgetary cuts imposed on the sector by the Assembly Government. He also made a important point about the importance of language skills. In Wales, we tend to obsess about the Welsh language, and it is important, but so are international languages. In an increasingly globalised world, foreign language skills are absolutely necessary and my hon. Friend was entirely right to make that point.

We then heard from the hon. Member for Vale of Glamorgan (John Smith), who spoke up, as he has on so many occasions, for the St. Athan project, which is supported in all parts of the House. I reiterate the point that I made when I intervened on him: one of the most important aspects of St. Athan is that it provides highly skilled military jobs for young people and, specifically, that it offers those opportunities to young people from Wales. Wales has a fine military tradition—everybody in the House knows that—and St. Athan will be a huge asset to young people who wish to serve their country.

The hon. Gentleman also spoke about the M4 link road, and other Members, including the hon. Member for Cardiff, North (Julie Morgan), spoke about the importance of transport. Transport is vital, as is the improvement of transport links. One concern—I have expressed it previously, as have other Members—is the potential impact of the local transport legislation that gives the Welsh Assembly the power to impose trunk road charges in Wales. I strongly suggest that at a time such as this the last thing that Welsh road users need is an additional tax on driving along roads in their own country. Although the Assembly has those powers, I strongly counsel it not to use them.

We had an interesting contribution from the hon. Member for Carmarthen, East and Dinefwr (Adam Price), who analysed the banking crisis and spoke about the prospect of a more local form of banking that is more publicly accountable. I know that the hon. Gentleman is a student of history, so I am sure that he will recall the efforts of Richard Williams of Llandudno at the end of the 1960s, who formed a company called Prif Trysorfa Cymru, or the Chief Welsh Treasury. That attracted some concern from the Board of Trade, so he renamed it the Welsh Black Sheep bank and issued £1 and 10 shilling notes. I am not sure whether the hon. Gentleman would want to resurrect that bank, but it is an interesting prospect.

Talking of black sheep, we then had a contribution from the right hon. Member for Islwyn (Mr. Touhig). I do not intend any personal criticism of him; I am merely echoing the words of the hon. Member for Newport, West (Paul Flynn). The right hon. Gentleman made his usual robust points in his usual robust style. He expressed concerns that many Opposition Members have about the potential for the balkanisation of Britain if devolution is not handled sensitively. He made the important point that the Welsh language LCO must be carefully scrutinised. My party yields to no one in our support for the Welsh language, but we do not want to see it become a tool for division. Therefore it is vital that that LCO is scrutinised with great thoroughness.

The hon. Member for Montgomeryshire (Lembit Öpik) spoke of the downturn in the economy and the effect on his constituency, which is primarily rural. He also expressed his concerns about electronic identification of sheep and the closure of businesses in his constituency, which he says has been in recession for some three years. He also spoke in favour of green technology, but against wind turbines.

We then heard from the hon. Member for Cardiff, North, who also touched on economic issues and spoke about the need to improve transport links. She also spoke approvingly about St. Athan, and of the interesting ProAct programme, which I would like to hear more about, as it appears to be very innovative. At the moment, its achievements are small, but from tiny acorns do mighty oak trees grow. The hon. Lady said that the Severn tidal barrage project could have huge environmental benefits, but could also have huge environmental disbenefits. Careful scrutiny of the project will be needed to balance those competing concerns.

We had a powerful contribution from the hon. Member for Blaenau Gwent (Mr. Davies), who spoke of the need for a review of the Barnett formula and expressed his concern about the potential for a £500 million budget cut for the Welsh Assembly. He spoke also of irresponsible banking practices and touched on the failure of regulation, which was also mentioned yesterday by the chairman of the Financial Services Authority in his evidence to the Treasury Committee. There certainly has been a failure of regulation, and I hope that the Government will address that.

We had an upbeat contribution from the hon. Member for Newport, West. He said that his constituency is suffering from the downturn but that there have been no closures yet, and there are some bright spots. He talked about new recycling plants in his constituency, which are an extension of the green technology that may power the upturn when it comes.

We had a contribution from my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski), in which he reminded us—usefully—that Wales is actually attached to England. He said that events on one side of the border have repercussions on the other, and he was right to highlight the effects that the policies of the Welsh Assembly are having on hospitals in his constituency. The Welsh Affairs Committee has touched on such matters, and it is clear that we have not got the settlement right. That is something that we have to address.

We then heard from the hon. Member for Ynys Môn (Albert Owen), who spoke about his support for Wylfa and for Anglesey Aluminium. Both are important

[Mr. David Jones]

employers in his constituency and both are in danger from the downturn. Finally, we heard from the hon. Member for Llanelli (Nia Griffith), who expressed her concerns about the difficulty of drawing down funds for public building projects.

The debate was dominated by economic concerns, and there is clearly an extraordinary amount of anxiety in the House about the downturn's effect on individual constituencies and on Wales as a whole. I believe that Wales has the potential to pull through those difficulties, but doing so will not be easy. I am sure that every Member of the House will work assiduously in the 12 months between now and the next time that we convene for this debate to ensure that the impact on our country is minimised.

5.51 pm

The Parliamentary Under-Secretary of State for Wales (Mr. Wayne David): It gives me great pleasure to respond to this St. David's day debate. As far as I am aware, he was not an ancestor mine, but he could be an antecedent of many of the hon. Members who have participated today. He lived a frugal life, and my hon. Friend the Member for Cardiff, North (Julie Morgan) reminded us that his only drink was water. He believed in brevity: he was a man of few words, like my right hon. Friend the Member for Neath (Mr. Hain), who gave a commendably brief speech this afternoon. He also focused on the little things in life, about which my right hon. Friend the Prime Minister reminded us in the note on this debate that he sent to all Welsh Members.

I was pleased that nearly all those who contributed to the debate focused on the people whom they represent in their constituencies rather than on somewhat remote theories and activities. Most people in Wales are worried about the economy, and that was brought home to us in the passionate contributions from my right hon. Friend the Member for Islwyn (Mr. Touhig) and various other hon. Members, including my hon. Friend the Member for Llanelli (Nia Griffith).

These are undoubtedly difficult times, but I want to stress that the Government are being very proactive. That is the important thing: we are doing everything that is humanly possible to demonstrate that we are on the side of ordinary people. For example, my right hon. Friend the Secretary of State and I have been travelling around Wales over the past few weeks, meeting the owners of small businesses in particular, and hearing at first hand about the difficulties that they face. We have listened to their views and ensured that they are articulated here in London, the centre of UK Government.

The Wales Office has published the document "Real help now", and it has proved to be very useful. The hon. Member for Ceredigion (Mark Williams) said that it has been extremely well received, but it is important to stress that that is not the end of the matter. The document will be constantly updated and made even more accessible to people throughout the length and breadth of Wales.

The document clearly demonstrates how central Government here in London and the Welsh Assembly are working in partnership for the benefit of the people of Wales. I shall not go through all the schemes enumerated in it, but several hon. Members mentioned the ProAct programme, which is already delivering material benefits for people in Wales.

Times are difficult, but it is important to stress that positive developments are also occurring in Wales, and we heard some references to them this afternoon. For instance, my hon. Friend the Member for Vale of Glamorgan (John Smith) referred to the defence technical academy, and mention was also made of the gas-fired power station in Pembrokeshire.

My hon. Friend the Member for Llanelli said that she had heard rumours that large numbers of people from abroad might apply for jobs on infrastructure projects in her constituency. I assure her that we will do our utmost to make sure that the majority of those employed come from the local labour market, as it is very important that local people benefit from those investments.

Similarly, the go-ahead has been given for a new prison at Caernarfon, as my hon. Friend the Member for Ynys Môn (Albert Owen) noted.

A number of Members, including the hon. Members for Chesham and Amersham (Mrs. Gillan) and for Blaenau Gwent (Mr. Davies) referred to the positive developments with tourism in Wales. It is undoubtedly a very important area that we should exploit to the utmost given the value of the currency.

Concern was expressed about a new nuclear power station to succeed Wylfa. The Wales Office is 100 per cent. behind a new nuclear power station in Ynys Môn—let there be no question about that. Members asked whether Wylfa will continue beyond March 2010. There is a possibility of that, but we will have to see exactly what the Nuclear Decommissioning Authority has to say.

Another clear theme is the need not only to deal with the situation in which we find ourselves but to prepare and plan strategically for the future. The upturn will come, and I am confident that it will be a dynamic upturn. We have to invest in education and training, as the hon. Member for Preseli Pembrokeshire (Mr. Crabb) said. My hon. Friend the Member for Aberavon (Dr. Francis) and the hon. Member for Blaenau Gwent mentioned that, too. There can be no shortcuts. It is vital that we invest in education and training—there is no doubt about that.

Equally, we have to invest in digitalisation. My right hon. Friend the Secretary of State, who is responsible for digital inclusion, is 100 per cent. behind ensuring that we have a comprehensive strategy to ensure that everyone benefits from the new technological revolution that is gathering momentum all the time.

The hon. Member for Carmarthen, East and Dinefwr (Adam Price) had some impressive and innovative ideas about the new banking system that needs to emerge. His ideas will be well worth debating in future.

A number of Members mentioned the need for a strategic investment in transport infrastructure. Again, the hon. Member for Chesham and Amersham referred to that, as did the hon. Member for Blaenau Gwent when he spoke about the Heads of the Valleys road. The hon. Member for Montgomeryshire (Lembit Öpik) referred to it, too, and I wholly agree with his comments. However, I am not so sure that I will take him up on his offer to join him on an aeroplane.

The debate was also significant because we heard some trenchant and controversial remarks from my hon. Friend the Member for Newport, West (Paul Flynn). However, I believe that the Government of Wales Act 1998 has been very successful. Yes, it could be streamlined and improved, but basically it is working very well. One reason it is working well is the good work being undertaken by the Welsh Affairs Committee. To have good legislation, it is vital to have effective pre-legislative scrutiny. I believe that that is what the Welsh Affairs Committee provides. I say that because I shall be giving evidence to the Committee on Monday on the important issue of carers and I hope that its members will not be too hard on me.

Obviously, another important issue that will come before the Welsh Affairs Committee is the Welsh language LCO. As a number of Members have said, it is important that in seeking to develop and promote the Welsh language we should seek consensus in Wales. We should take all the people of Wales with us, non-Welsh speakers as well as Welsh speakers. It is important to recognise that the advances with the Welsh language have been made because there has been not just an acceptance of it but positive support for it. That must be taken forward and that is the way to build the Welsh language for the future.

I welcome the remarks from the English hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) because it is vital that we recognise that Wales is not separate from England and that the cross-border links between our two countries are important. The Welsh Affairs Committee, again, has highlighted the importance of that relationship at all times. However, I did take some exception to the implication in his remarks about the future of Welsh representation. He pointed out how many electors he represents and how many the hon. Member for Montgomeryshire represents. My concern is that some people in the Conservative party might therefore conclude that we need fewer Welsh MPs, and it would be a huge mistake to go down that road—*[Interruption.]* Given the muttering that we are hearing, I think that we are beginning to see the true face of the Conservative party again. This debate shows, above all else, that Welsh MPs have a vital role to play in the future development of Wales, and long may we have positive debates such as the one we have had this afternoon.

Question put and agreed to.

Resolved,

That this House has considered the matter of Welsh Affairs.

Housing Subsidy

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Watts.)*

6 pm

Mr. Paul Burstow (Sutton and Cheam) (LD): I am grateful for the opportunity to raise in the House the issue of housing subsidy. I look forward to the Minister's response to our short debate on important issues that are of concern to my constituents, particularly those who pay rent to my local council.

Tenants in my constituency want a decent home, but at present far too many of them do not have one. I shall illustrate what I mean. Recently, I had the opportunity to visit tenants on the Chaucer estate in my constituency. Tenants on the estate, especially in Chaucer house, showed me the water coming into their flats through the windows, the electrical, plumbing and heating systems that need to be renewed, the roofs that need repairing and the poor lighting and security systems that need replacing. Tenants on the Collingwood estate, especially in Balaam house, need much of the same work done to their block. Very simply, when it rains they want the rain to stay outside and not to come into their flats.

People living on the Shanklin and Benhill estates want control of their heating costs, but above all they want new windows. The list could go on. Too many of the council homes in my constituency fail to meet the decent homes standards that we all want everyone not just to aspire to but to enjoy.

Unfortunately, my hon. Friend the Member for Carshalton and Wallington (Tom Brake) cannot be in the Chamber this evening, but he very much supports the sentiments that I am expressing. If he were here, he would want the Minister to be aware of the St. Helier estate in his constituency, where 800 box bathrooms were installed more than 40 years ago, to the delight of tenants at the time. They were meant to last only for 15 years, yet they are still there today. Furthermore, they are becoming a nightmare for the tenants, not just because they are coming away from the houses but because they are also full of asbestos, which might have been thought appropriate building material 40 years ago but, as we know, is no longer acceptable.

My purpose in seeking the debate is to ask—even beg—the Minister to do whatever he can to unlock the funds of £120 million allocated to Sutton by the Department for Communities and Local Government, and to do it now because the need is so great and so urgent—really urgent in the case of the box bathrooms. Against that background of need for investment in decent homes, council tenants find it hard to believe that so much of what they pay in rent does not stay in the borough.

A tenant in my constituency paying rent to Sutton council might reasonably expect the rent to go towards maintaining their home and providing services for themselves and their neighbours who are council tenants, as would any tenant anywhere. It should be clear to tenants who is accountable for setting the rent that they pay and who is responsible for the quality of housing and services that they receive.

Good government requires accountability, and accountability requires transparency. It should be easy for people to understand where the taxes and rents they pay go, but that is not the case with municipal rents.

[Mr. Paul Burstow]

The current system is complex, unfair and unjust; even the language is obscure and hard to follow. Just what is a negative housing subsidy?

In hard cash terms, negative subsidy means that in the coming year tenants in my constituency and the borough of Sutton as a whole will contribute £10.5 million in rent to the Treasury. That is on top of £9.8 million in the current year. In effect, tenants in Sutton, Cheam and Worcester Park pay their rent to the Treasury from 1 April until some time in the middle of August. To put it another way, 38p in every £1 of the rent they pay goes back to the Treasury as negative subsidy.

When I meet tenants and particularly when I meet the Sutton Federation of Tenants and Residents Associations and its chair, Jean Crossby, they and she want to know where is the justice in the system. Why is their rent not spent entirely on their housing needs or on the needs of their local community?

It is no surprise that the figures for the 28 housing stock-owning Greater London boroughs have been analysed, and the Minister would expect me to rehearse the figures with him this evening. The analysis reveals that, on a per household basis, tenants in the London borough of Sutton are paying the highest negative subsidy in Greater London. Sutton tenants have been paying the Treasury for so many years that the council's ability to provide a good management service to its tenants and properly maintain their homes has been badly compromised.

In an answer to a question that I asked the Minister recently, he said that decisions on rents are matters for each local housing authority. I do not dispute the fact that that is true in some ways, but I shall explain why it is not entirely the case. The way that the subsidy and negative subsidy system works drives local rent-setting decisions, first, because the system allows the Government to redirect what they calculate to be excess resources in one locality to areas in other parts of the country that they calculate have a shortage of resources and, secondly, because the Government's policy of rent convergence with housing association rents has resulted in above-inflation increases in Sutton since 2001.

This coming year in Sutton, rents will increase by 6.27 per cent. on average, in accordance with the Government's guidelines and the formulae laid down in them. That will hit families very hard. It is particularly ironic, given the Government's determination to encourage local authorities to set the lowest council tax that they possibly can, with some success across the country, that the direction of travel on rents is the opposite.

Research by my local arm's length management organisation—the Sutton Housing Partnership—has found that 44 per cent. of tenants do not receive housing benefit and will therefore pay full rent. One in three of those families have children under 16. The Government have a laudable and certainly well supported target of halving child poverty. Given that those families often live just above the measure of poverty that would tip them into receiving housing benefit, it is hard to understand how the Government's rent policy and subsidy system support that goal of halving child poverty.

I appreciate that the Department has been conducting a review. Indeed, I met one of the Minister's predecessors a couple of years ago, and we were pleased that the then Minister indicated that the review would be commenced. I understand that it might be published in April. I hope that the Minister will confirm the timetable for the publication, promulgation and implementation of its findings and recommendations, but no matter what is decided and what the Government choose to do, it will take time to have effect.

The Sutton Federation of Tenants and Residents Associations tells me that, while it waits for those decisions to be made and the changes to be implemented, there should be no further increase in the amount that tenants pay to the Treasury. That is not an unreasonable point, and on the association's behalf I ask the Minister to say in his response whether the Government will seriously consider freezing negative housing subsidy at 2008-09 levels—if not, why not?—until the review is concluded and acted upon.

Of course, this is not just about redistributing rental income from one poorish set of tenants to an even poorer set of tenants, to benefit their area because it does not have enough resources. The Treasury is a net beneficiary of the system; it pays out less in subsidy that it gets back in negative subsidy. Indeed, in 2008-09, the Treasury pocketed £200 million of tenants' rents. What is happening to that money? Where is the transparency that will allow us to see what is happening with it? Where is the accountability?

I am told that, by 2011, the Treasury will profit from the housing subsidy system to the tune of £400 million, and nothing in the system as currently conceived and implemented will stop that rising still further. In that sense, I agree with the Local Government Association and many others who say that the current system is not fit for purpose.

The current system leaves vital local services such as the building, repair and maintenance of council housing starved of cash. All the money in the housing system should be spent on homes and related services. The system undermines local decision making, and makes it hard to hold local councillors to account for their actions; they could argue, and with some legitimacy, that the Department has not done its bit in making sure that local need is properly met. That is why the system should be scrapped.

Local housing should be managed and funded locally in the interests of tenants and of meeting local housing needs. In my area there is not much local housing because of the right to buy. Day after day, when people come to my surgery or write to me, I am confronted with the appalling situation of having to explain how limited the ability to help is, because the supply is not there to meet their legitimate housing needs. I am sure that many hon. Members share those sentiments.

I began this debate by listing some of the problems with housing in my constituency. The Minister will know that Sutton established an arm's length management organisation in 2005 with the aim of bidding for decent homes funding. I understand that the Department has confirmed that an allocation of £120 million has been made for that purpose, but that money is locked up and waiting for an Audit Commission inspection of the ALMO. Last year, the ALMO narrowly missed the two-star outcome required to trigger the release of the money. Since then, efforts have been redoubled to make sure that it exceeds that standard when the next inspection takes place.

Just last week, Councillor Sean Brennan, the leader of Sutton council, wrote to the Minister for Housing to urge her to exercise discretion and authorise the release of the £120 million now so that work on the borough's decent homes programme could get started. At a time such as this, when the economy needs all the stimulus that it can get, much-needed investment could be a vital lifeline for the construction trades in my area and make an enormous difference to the quality of life of many of my constituents.

In conclusion, I am grateful to have had this opportunity to air these issues in the House this evening. Tenants in my constituency face a 6.27 per cent. rent increase this April; 38p in every £1 of their rent will go to the Treasury. There is a desperate need to invest in social housing in my area and to deliver the decent homes standards. On 25 March, tenants from the London borough of Sutton will come to Westminster to lobby for the fair deal that I have been talking about. They will deliver a petition to the Prime Minister at No. 10 Downing street.

My final request is this. Will the Minister, or the Minister for Housing, meet me, my hon. Friend the Member for Carshalton and Wallington and a small deputation—we do not want to overwhelm anyone—of our constituents, so that they can make their case personally and directly and ask the questions on their minds about the issues that I have tried to describe this evening? Better still, will the Minister accept an invitation from me to visit Sutton? He could have a look at some of the issues that I have described in words today, but are often better seen first hand in the constituency. He could talk to some of the tenants whom I have mentioned this evening, and the officials, to discuss the challenges. I hope that the Minister will be able to give a positive response to that request and meet at a time acceptable to us all.

Above all, I have raised this issue tonight on behalf of constituents who want a fair and transparent system of housing finance, a rapid end to a discredited and unfair system—and decent housing.

6.14 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): I congratulate the hon. Member for Sutton and Cheam (Mr. Burstow) on securing this debate. He may be aware that we had a good debate in Westminster Hall yesterday afternoon on the matter of council housing and rents policy. Many of the points raised in yesterday's debate have been echoed by him tonight. I agree that housing in general, the role of the local authority in providing housing, the cost of providing housing, and the rent that tenants of council housing properties pay are incredibly important issues. As the hon. Gentleman rightly said, it all comes down to decent homes. I am grateful to him for giving me the opportunity to address the points again.

Yesterday, in my opening remarks, I made clear the role of central Government in the setting of council house rents; following the hon. Gentleman's speech, I feel that I have to do so again. He hinted that central Government somehow impose high levels of rent increases on tenants that are at odds with current levels of inflation and with what local councils want to do. I have to confirm to the House that that is emphatically not the case. Rent setting for council house tenants is a matter for each local authority. He mentioned accountability; local authorities are accountable to their electorate for rent setting. Guideline rents for local authorities form part of each year's housing revenue account subsidy determination, for the purposes of making assumptions about a local authority's income and its entitlement to subsidy. However, we do not, and cannot, force a local authority to set a particular increase in rents. I repeat: rent setting, particularly the matter of deciding the annual increase in rents paid by tenants, remains a matter for the local authority.

Mr. Burstow: If a local housing authority were to decide that it wished to make itself accountable to its local tenants and refused to pass on the negative housing subsidy, would that be acceptable?

Mr. Wright: I will come to that. The hon. Gentleman makes an important point, which is essentially the fundamental point of the debate, about how we fund council housing.

Since the 1930s, successive Governments have used the subsidy system that the hon. Gentleman mentions to ensure that the country's council housing stock is funded and maintained. He is aware that as matters stand the national housing revenue account redistributes revenue from councils that are deemed to have surplus income on housing to local authorities that do not have enough. The policy is that social rents should be affordable and below those of the private rented sector. We are very keen to ensure that councils do not raise their rents beyond what people can afford, although I should preface that by saying that local authorities are free to set whatever rents they like. Some councils are unable to raise locally what they need to spend on their council housing stock, so as a means of keeping all rents affordable the housing revenue account system redistributes resources from councils that make more in rental income than they spend to those that do not have enough.

I think that the hon. Gentleman would agree that in basic terms there is a logic and a rationale for having redistribution. It brings a degree of equity between councils. It protects certain tenants from high rent bills, and it helps by not adding to the burden of the general taxpayer. When discussed like that, it seems simple, straightforward and something that could possibly be welcomed. It is certainly better than the situation that occurred before 1989, whereby council house tenants' rents were allowed to be used locally to keep the rates of more affluent residents artificially low. It is also better than the situation that we inherited in 1997—I know that this concerns the hon. Gentleman—when we had a backlog of some £19 billion in repairs and maintenance in the council housing stock. He is aware that we initiated the decent homes programme, which has transformed—revolutionised, I would suggest—the fabric and condition of social housing. In 2001, we brought in the major repairs allowance, which provided £1.5 billion: a massive injection of resources to stop long-term deterioration of the stock.

Those factors, together with allowances for management and maintenance and provision for debt, are resourced through the subsidy system—tenants' rents and, when needed, subsidy from central Government. However, I

[Mr. Iain Wright]

am fully aware of the argument that the hon. Gentleman has made. I am also fully aware of the sense of despair and frustration at local examples of unfairness, and of the sheer incomprehension of many of the complexities of the situation. I do not disagree with any of those sentiments. The annual subsidy determination process has become more difficult to understand and the process more opaque and baffling to councils and council house tenants alike. The current system, with its annual subsidy determination, is too short-term in its scope. The need to make decisions on funding year on year makes it difficult for councils to plan, manage and maintain their assets over the long term. As the hon. Gentleman said—I agree with him fully on this—it is difficult, if not impossible, for tenants to see a clear link between the rents they pay and the services that are provided locally.

This lack of local transparency is a particular concern of mine, especially as the Government are absolutely determined to see decisions on services made locally and in a transparent way. In addition, the whole landscape of housing has changed over the past 20 to 25 years with the emergence of large-scale voluntary transfers, a greater number of tenants with registered social landlords and right to buy. As a result, there are increased levels of mixed tenure on estates that 20 years ago might have been purely council housing estates. Bearing all of that in mind, it is right and proper to look again at the HRA system and its rules to ensure that it operates in the fairest possible way for both tenants and council taxpayers.

The hon. Gentleman mentioned that this year we have had the added complication of the housing revenue account system moving into surplus, which then goes back to the Treasury. As he rightly said, about £200 million was generated in surplus from the HRA this year. I fully understand that that is hugely unpopular with tenants throughout the country, but we should put it into some sort of context. This year, the Treasury is pumping £5.9 billion into housing expenditure, which puts the £200 million surplus from the HRA into perspective. Secondly, since 2001, there has been a deficit in the housing revenue account system, which has been topped up by the Exchequer to the tune of about £1.3 billion. Thirdly, the national HRA was in overall surplus from 1994, the first year in which we have records, to 2001. So I plead with the hon. Gentleman that we need to have some degree of perspective and to understand that we are not looking at some unprecedented or unique feature.

We have a system of financing council housing that moves periodically from surplus to deficit and back into surplus. I hope that the hon. Gentleman appreciates that I understand people's frustrations with the system, and I especially understand the frustration of tenants in Sutton, where the HRA system has been in surplus over the past couple of years and redistributed away from the area. That is why we have embarked upon a fundamental review of council housing finance. The review was launched last year and has as its objective the need to develop a sustainable long-term system for financing council housing while taking into account the following key principles: fairness and affordability for tenants and taxpayers; transparency to ensure, as I said earlier, a clear and accurate relationship between services provided and rents paid; agreed minimum standards of service and accommodation, ensuring that council house tenants are not hindered by poor levels of management and maintenance, a factor that the hon. Gentleman mentioned; and more certainty and less volatility in the funding of council housing. I am keen to see greater levels of efficiency and value for money, with more emphasis upon planned, as opposed to reactive, maintenance. I hope that the review will look into that.

The review is on track to report to Ministers in the spring, and thereafter we will go out to consultation to discuss the revised process. As I have said before at this Dispatch Box, given the huge importance and complexity of the process, it is not something that can be tinkered with around the edges or undertaken quickly. It needs to be considered as part of a fundamental look at how council housing should be funded. We want to make the system fairer to tenants and do not wish to take risks in a way that would hinder that objective.

Mr. Burstow: Will the Minister respond to the suggestion made by many of my tenants that increases in the subsidy should be frozen while the review is going forward and being implemented? There should be no further increases in the contribution that my tenants have to make to the general pool.

Mr. Wright: I understand why tenants in Sutton would want to think that, but I would throw that question back. About 50 local authorities receive subsidy at the moment because their need for housing cannot be provided locally through the setting of rents. What do we do with those 50 local authorities? That is a fundamental point. There may be some means of having a transition period in order to move a fairer system, but to tinker with things while undertaking a fundamental review would be wrong and misplaced, so I cannot give residents in Sutton the reassurance they would wish for. However, we are fully aware of people's concerns and want to ensure that the system is fairer and more transparent and that we fund council housing sustainably.

The hon. Gentleman said that he will be bringing a delegation of residents down—I think on 25 March. I would be more than happy to meet them to discuss the matter further. I am keen to see that his tenants and all tenants have access to decent and sustainable housing in a way that is fair to council tax payers, general taxpayers and tenants alike.

Mr. Burstow: I am grateful to the Minister for the opportunity to meet him. We will be in touch to sort out the logistics, and I am sure that having read this debate tenants will appreciate the opportunity to discuss these exchanges with him. Will he address the other concern that I raised, which was the need to unlock the decent homes funding? That is the other thing that many tenants in my area want sorted out.

Mr. Wright: Again, I understand the concerns, and I believe that about £113 million could be available. The hon. Gentleman will be aware that the London borough of Sutton did not do as well as we would have hoped in the latest inspection, which could have unlocked those resources. I understand that the area will be subject to a second inspection in October, and I am sure that my Department and my officials will be keen to work with

officers of the London borough of Sutton to ensure that we can unlock that money, which could be vital in helping to provide decent homes for tenants in his constituency.

I hope that I have addressed the matter in a measured way. I understand the frustrations and concerns that exist, but we cannot make knee-jerk, rapid decisions on such an important and complex matter. It needs to be examined in the round and fundamentally, because it has an impact on general taxpayers as well as on tenants. I am keen to ensure that we have a system for financing council housing that is fair and sustainable in the long term, and that council housing has a key role to play in the housing offer of this country in the 21st century.

Question put and agreed to.

6.27 pm

House adjourned.

House of Commons

Friday 27 February 2009

The House met at half-past Nine o'clock

PRAYERS

The First Deputy Chairman of Ways and Means took the Chair as Deputy Speaker (Standing Order No. 3).

Mr. Peter Bone (Wellingborough) (Con): I beg to move, That the House sit in private.

Question put forthwith (Standing Order No. 163).

The House proceeded to a Division.

Madam Deputy Speaker (Sylvia Heal): I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 1, Noes 100.

Division No. 41] **[9.34 am**

AYES

Bone, Mr. Peter

Tellers for the Ayes:
Mr. Lee Scott and
Mr. Charles Walker

NOES

Ainsworth, Mr. Peter
Austin, John
Bacon, Mr. Richard
Barrett, John
Bellingham, Mr. Henry
Bercow, John
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Brady, Mr. Graham
Brooke, Annette
Brown, Mr. Russell
Browning, Angela
Burns, Mr. Simon
Burstow, Mr. Paul
Burt, Alistair
Clappison, Mr. James
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Cruddas, Jon
Cunningham, Mr. Jim
Davies, Philip
Dean, Mrs. Janet
Dismore, Mr. Andrew
Dorries, Nadine
Duddridge, James
Duncan Smith, rh Mr. Iain
Durkan, Mark
Featherstone, Lynne
Fitzpatrick, Jim
Francis, Dr. Hywel
Francois, Mr. Mark
Garnier, Mr. Edward
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Helen
Goodman, Mr. Paul
Gove, Michael
Greening, Justine
Grieve, Mr. Dominic
Hammond, Stephen
Heald, Mr. Oliver
Heath, Mr. David
Herbert, Nick
Hodgson, Mrs. Sharon
Hollobone, Mr. Philip
Holmes, Paul
Hope, Phil
Howarth, David
Howarth, Mr. Gerald
Humble, Mrs. Joan
Hunter, Mark
Hurd, Mr. Nick
Irranca-Davies, Huw
Jenkin, Mr. Bernard
Jones, Mr. David
Jones, Mr. Kevan
Kawczynski, Daniel
Kidney, Mr. David
Knight, rh Jim
Kramer, Susan
Ladyman, Dr. Stephen
Lait, Mrs. Jacqui
Lansley, Mr. Andrew
Leech, Mr. John
Letwin, rh Mr. Oliver
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
McLoughlin, rh Mr. Patrick
McNulty, rh Mr. Tony
Miller, Andrew
Miller, Mrs. Maria
Milton, Anne
Naysmith, Dr. Doug
O'Brien, Mr. Stephen
Pelling, Mr. Andrew
Penning, Mike
Pound, Stephen
Prisk, Mr. Mark
Randall, Mr. John
Rosindell, Andrew
Selous, Andrew
Spellar, rh Mr. John
Stewart, Ian
Strang, rh Dr. Gavin
Stuart, Mr. Graham
Swire, Mr. Hugo
Syms, Mr. Robert
Thomas, Mr. Gareth
Turner, Mr. Andrew
Vara, Mr. Shailesh
Webb, Steve
Wicks, rh Malcolm
Widdecombe, rh Miss Ann
Williams, Mark
Williams, Mr. Roger

Tellers for the Noes:
Mr. Nigel Evans and
Mr. Edward Vaizey

Question accordingly negatived.

Autism Bill

Second Reading

9.49 am

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): I beg to move, That the Bill be now read a Second time.

I am delighted to have the opportunity to introduce the Autism Bill on the first available Friday for private Members' business. So many people are behind the measure that it feels like an Oscars moment—I have to say an awful lot of thank yous. It is the culmination of so much work that it is important to put on record my thanks and the thanks of all those whom the outcome of the process should benefit.

First, I thank my colleagues. When I drew No. 1 in the ballot, I was inundated with proposals. After making a shortlist, I examined the options in detail. The National Autistic Society and the needs of people with autism touched a chord. When I chose the Bill, I robbed other colleagues of the opportunity to introduce it. I therefore thank my hon. Friend the Member for Daventry (Mr. Boswell) and the hon. Member for Dumfries and Galloway (Mr. Brown), who were further down the list and would have been willing to introduce the measure. I thank hon. Members of all parties who back the Bill to the hilt and have given up their precious constituency day to be here. The issue is truly cross-party and all parties seem committed to effecting lasting change for people with autism.

Since taking on the Bill, I have been deeply encouraged and motivated by the supportive e-mails, letters and other communications that I have received from throughout the country. The groundswell of support for the measure clearly shows that the time has come to right the wrongs that it seeks to tackle, and that change is long overdue.

I must place on record my gratitude to and admiration for the staff of the National Autistic Society, who have campaigned and negotiated tirelessly in supporting the preparation and development of the Bill, and have encouraged such a measure for many months and years. I will single out some individuals who may be known to some hon. Members; I should like to mention Matthew Downie, Ellen Broome and Gemma Bent, without forgetting Benet and Amanda, and the new chief executive, Mark Lever. I also thank the other 15 organisations that make up the Autism Bill coalition for their backing.

I extend thanks to the all-party group on autism and its chair, the hon. Member for Burton (Mrs. Dean), for its excellent work since the group's inception in 2001. The way in which the debate and the understanding of autism have moved forward is due in no small way to the work of the hon. Lady and her colleagues.

Lastly, I thank my colleague and my friend, my hon. Friend the Member for Tiverton and Honiton (Angela Browning), who has worked tirelessly and for such a long time to improve the outcomes and life chances of people with autism. Her passion on the issue has played no small part in what has been achieved so far, and I decided to try to push the measure through the House using the private Member's Bill process partly because she has announced her intention to leave the House at the end of the Parliament. She will be much missed. She has been a redoubtable friend and champion, and the Bill is partly a tribute to her and her work.

The Bill therefore has little to do with me and is the outcome of a lot of work by other people. That has led to the privilege that I have today of being able to do something for children and adults with autism and their families and carers, as well as charities and policy makers concerned about the needs of people with autism.

Philip Davies (Shipley) (Con): I congratulate my hon. Friend on introducing this excellent Bill. I, too, have received many e-mails from constituents who feel that it is especially important. What have the Government indicated that they intend to do about the Bill? Do they intend to support it or to try to talk it out or block it? It was rumoured that they wanted to try to stop the Bill because they wished to take the matter further, but does my hon. Friend agree that if the Government want to strengthen the measure, the best way of doing so is to take it into Committee and table amendments there?

Mrs. Gillan: I am grateful to my hon. Friend, who reflects my views, but I will leave the Minister to speak for himself, because he has the option to change his mind, following the discussions that I had with him before Second Reading. I want to give him that opportunity and those options, so I do not want to prejudge any actions by him or the Government.

Mr. Andrew Dismore (Hendon) (Lab): I support the Bill's objectives. The National Autistic Society wrote to me—I think that it probably wrote to all Members—stating that it was

"delighted to write to you about a vital new Government commitment to improve the lives of people with autism. Thanks to your fantastic support...we have together succeeded in persuading the Government to address all the issues raised by the...Bill."

It goes on to say that today's debate can be used to secure those commitments and explore the details. I agree that the debate is important for that purpose. Given that the National Autistic Society says that the Bill has already achieved its purpose, why does the hon. Lady persist in wanting to get it into Committee? *[Interruption.]*

Madam Deputy Speaker (Sylvia Heal): Order.

Mrs. Gillan: The hon. Gentleman's presence in the Chamber on a Friday is ominous because the ghost of past speeches by him hang over Friday proceedings. I am delighted by what the Government have put on the table—I make no bones about that. It is a tribute to the negotiating skills of the National Autistic Society. However, if the Government are to deliver their commitment, they have nothing to fear from examining the Bill clause by clause. The subject has been deserted for a long time and it is about time that the voices of those affected and their families were heard loud and clear. If the promises are as good as the paper on which they are written, there is nothing to fear from having a Committee stage, during which we can examine the Bill in detail.

Mr. Patrick McLoughlin (West Derbyshire) (Con): Of course, everyone welcomes the Government commitment to taking the matter on board. However, does my hon. Friend agree that Second Reading today has led to that commitment? The Bill's going into Committee and coming back to the Floor of the House on Report would maintain the pressure on the Government. It would

mean that we continued talking about the Bill for the next three to four months, and that is no bad thing. If any hon. Member speaks at excessive length today to talk out the Bill, he will prevent Parliament from focusing its attention on the measure, and his constituents should note and remember that.

Mrs. Gillan: My right hon. Friend makes a valid and accurate point. There is no malign intention in pressing the Bill. After it was suggested to me that the Government's commitments were good enough for the Bill to be withdrawn, I looked up precedents. A Labour Member withdrew a Bill recently after it had gone into Committee and another Member withdrew a measure on a much smaller matter, so there is little precedent for such behaviour. I believe that I would let people down by not trying to get the detailed discussion that having the No. 1 private Member's Bill affords.

Angela Browning (Tiverton and Honiton) (Con): I am grateful to my hon. Friend for what she is doing today. I declare an interest as the vice-president of the National Autistic Society. Like my hon. Friend, I support and welcome what the Government have said that they will do. The National Autistic Society's endorsement shows that it has taken the Government's word about the outcome of their promise, but it is incumbent on us as parliamentarians to ensure that the public know Parliament's intention and to scrutinise line by line, so that what happens is clear. If I catch your eye, Madam Deputy Speaker, I hope to demonstrate how the National Autistic Society has taken the Government's word in the past about promises that have yet to be fulfilled.

Mrs. Gillan: It is that questionable track record that leads me to believe that I have a moral imperative to try to press the Bill. If the Government choose not to support the Bill in the Lobby or when we attempt closure later in these proceedings, that will be a matter for the hon. Members concerned, as the Bill is private business.

Mr. David Heath (Somerton and Frome) (LD): I, too, congratulate the hon. Lady on taking the Bill forward, which, as she knows, is something that I, too, considered. As a matter of naked self-interest, I suppose that I would want her not to take her Bill into Committee, so that my future private Member's Bill would have more of a chance. However, I do not take that view. It is very important that the Bill should get into Committee. In particular, I hope that there will be an opportunity in Committee to consider the important transition arrangements for young people with autism who are reaching adulthood. That is a neglected area that needs proper consideration.

Mrs. Gillan: The hon. Gentleman is absolutely right. He should please forgive me for omitting to mention his name in dispatches, but I am grateful for that generous offer, as I know a lot of people outside the House will be too.

Mr. Oliver Heald (North-East Hertfordshire) (Con): A number of us attended a useful meeting with the Minister earlier this week, and we trust that he has the personal commitment that he says he has. However, the history of the thing, as he has acknowledged, including in *The Observer*, is not a happy one. Promises have been made in the past and not delivered. That is why we need a law. He is a Minister, but who knows what may happen in future? We know all the vagaries, but if we have a law, we have to do what it says.

Mrs. Gillan: Indeed, my hon. Friend makes a valid point, which I shall come to later. There is indeed something of a track record of having changes of Minister—something that has caused a problem with promises that have been given in the past.

Mr. Lee Scott (Ilford, North) (Con): I congratulate my hon. Friend on introducing the Bill. As a patron of the UK Autism Foundation, I, too, declare a vested interest. Does she agree that the people who really matter are the young adults affected, the children with autism and the adults with autism whom we are trying to help with this Bill, and that the best way to help them would be allowing the Bill to go to Committee?

Mrs. Gillan: I agree entirely, and my hon. Friend has a marvellous track record in dealing with the matter.

Several hon. Members *rose—*

Mrs. Gillan: If hon. Members will forgive me, I should like now to make a little progress.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): Will the hon. Lady give way?

Mrs. Gillan: I would like to make just a little progress, but I promise that I will give way to the hon. Gentleman later.

Autism is a lifelong and disabling condition that affects how a person communicates, and how they relate to and make sense of the world. It is a spectrum disorder that presents in different ways and to varying degrees in each individual. Some people with autism are able to live independent and fulfilling lives with very little support, while others need specialist support throughout their lives. Estimates suggest that one in 100 people has autism, which means that well over 500,000 in the UK have it. It also means that, together with their families, more than 2 million people are affected by autism every day. There are also suggestions that the prevalence of autism is on the increase.

Autism is a relatively recent diagnosis that was recognised only after world war two. Indeed, Asperger's syndrome became part of international diagnostics manuals only in 1994. That may go some way towards explaining the low public understanding of autism, because although there is a high public recognition of autism and the fact that it is a disability, there is a host of myths and misconceptions about it. One of the most common is that autism affects only children, but one recent estimate put the number of adults with autism at well over 300,000. Often the interest in autism concerns its negative impact and burdens, but there are positive aspects, such as the outstanding talents, which have been considered far less often than the negative impacts. Professor Uta Frith tells me that about 10 per cent. of individuals exhibit special talents, mainly in art, music and memory. Many people also continue to believe, wrongly, that there is a cure for autism.

[Mrs. Gillan]

What is life like for children with autism? A recent report by the National Autistic Society found that 40 per cent. of children with autism had been bullied, while 27 per cent. had been excluded from school, 42 per cent. reported that they had no friends and 70 per cent. had an accompanying psychiatric condition. The NAS estimates that 63 per cent. of adults with autism do not receive enough support, while 82 per cent. of parents or carers of an autistic child say that their child needs some daily support to live independently.

Nine out of 10 parents are worried about their child's future, at a stage when they are no longer able to support them. That leads to grief and pain for all involved. One parent said about her daughter:

"She has quite calmly said that when we die, she plans to kill herself because she knows she will be completely alone and unable to care for herself. She weeps on a daily basis because she is so scared of the future. There is nobody to help her manage her daily life, and more importantly, who will love her when we're gone?"

Only 15 per cent. of adults with autism are in full-time work and 75 per cent. either do not have any friends or find it very hard to make friends. More than half of adults with autism have also been bullied or harassed as adults. The more I have learned about autism, the more I have come to realise that not enough is known about it. I have also seen that not enough is being done about the needs of these individuals.

Most local authorities currently do not fulfil their obligations to people with autism. They fail them. According to current Department of Health guidance, local authorities should already be working to assess the needs of adults with autism. However, that is frequently not the reality on the ground.

Mr. Nigel Evans (Ribble Valley) (Con): Hillside school in Longridge in my constituency is a school for children with autism. It received an excellent Ofsted report in 2007. I praise the then headmaster, Geoff Fitzpatrick, and the new headmistress, Alison Foster, for the tremendous work that they have done. The headmistress has said that part of the problem is that all the good work being done in the school is lost when the youngsters leave it and enter adulthood. The focus of the Bill is ensuring that all the tremendous work that people are doing to help young people with autism is not lost when they leave school. That is why the Bill deserves to be taken into Committee.

Mrs. Gillan: My hon. Friend is absolutely right. The transition often presents many problems. I will refer to that later in my contribution.

Mr. Betts: I congratulate the hon. Lady on introducing the Bill. However the outcomes are eventually achieved, she deserves a great deal of credit for that, but can she say which of the specific things that she wants to achieve through the Bill are not covered in the agreement that the National Autistic Society believes it has reached with Ministers?

Mrs. Gillan: The hon. Gentleman seeks to make a point that I thought we had dispensed with earlier. I am delighted and thrilled with the proposals that the Government have made. Those proposals are going to go ahead. The Bill is a vehicle for us to examine those proposals and consider the detail. It is no more than people deserve. The Minister has nothing to fear from a Committee stage for the Bill. In fact, he has everything to gain from it, because he will be able to showcase what the Government are doing. That would be a golden opportunity for the Minister and his colleagues. He is not going to tell me that he cannot be bothered to spend the time in Committee, because I know that that is not the case. He is devoted to advancing the programme, so he has nothing to fear from the Bill.

Tim Loughton (East Worthing and Shoreham) (Con): As a vice-chairman of the all-party group on autism, I, too, congratulate my hon. Friend on introducing the Bill. The first case that I took up as an MP back in 1997 involved a 14-year-old who had been diagnosed with Asperger's. I went to someone in education and was told, "Oh, it's not us, it's social care." I went to someone in social care and was told, "It's not us, it's the NHS." A vicious triangle ensued. In the end, it was only by banging those three people's heads together and having pooled funding that we got an action plan. Is it not essential that we use the Bill to drill down into the detail and see exactly who is responsible, to ensure proper joint working on the ground among those different agencies? That is why it is so essential that we go into that detail in the House.

Mrs. Gillan: My hon. Friend is absolutely right. In my personal experience, people who have concerns about an individual in crisis can go to social services, who say that it is not their problem, and then to the mental health authority, which says the same thing, and then to the police, who refer them back to social services. It would be an advantage to look into such detail in considering the Bill.

David Howarth (Cambridge) (LD): May I bring the hon. Lady back to the important point that she was making about local authorities assessing need? In Cambridge, a group of parents of adults with autism are worried about what will happen to their offspring after they become too old to care for them. They are trying to set up specialist housing for their offspring to live in for the rest of their lives, but the first thing that the local and regional authorities told them was that they could not be helped because the authorities did not know the level of need involved. That is why there has to be legal force behind the obligation to assess such need.

Mrs. Gillan: The hon. Gentleman is absolutely right. Later, I shall refer to a non-existent prevalence study, which will illustrate exactly the point that he has made.

John Bercow (Buckingham) (Con): There is often a phenomenon of buck-passing between different agencies. Also, the needs of a child or young person often straddle the divide between different departments, which is precisely why we need joint strategic needs assessments—and joint commissioning to boot. Does my hon. Friend agree that one of the problems that still exists in the education service as a result of a lack of training is quite widespread ignorance among the children's work force of parts of the spectrum? I am thinking of a teacher who said to the parent of an Asperger's child, "I don't believe in Asperger's syndrome." It is not a matter of belief; it is a matter of fact.

Mrs. Gillan: I pay tribute to the work that my hon. Friend has done, particularly in the area of speech therapy for children. He is absolutely right. I knew a little about autism, and I am learning all the time. Last night, on a car journey in the middle of the night, I read part of a book by Temple Grandin and a series of articles by her. I found them absolutely fascinating. To ask whether one believes in Asperger's is almost demeaning. The more I look at the subject, the more fascinating it becomes, and the more I realise that we in the House have a duty to try to deliver measures to provide a framework in which we can give the right assistance at the right time to the right people when they need it.

Stephen Pound (Ealing, North) (Lab): The hon. Lady is clearly going to do a great service to the nation by bringing the Bill before the House today. She might be able to do an even greater service. In the Bill, she refers to the definition of autism as

"all autism spectrum disorders, including Asperger's syndrome".

I have had some difficulty, as have others, in defining the autism spectrum. I appreciate that the answer to my question might be that this subject should be ventilated in Committee, but does she intend at any stage to attempt to provide a definition of the autism spectrum?

Mrs. Gillan: The hon. Gentleman has just answered his own question, and I will continue with my speech.

Of the local authorities surveyed by the National Autistic Society, only two have developed robust ways of collecting and collating information on the population of people with autism. Under 40 per cent.—actually, 39 per cent.—of local authorities have appointed a named team leader with responsibility for autism spectrum disorders, which are known as ASDs. Only 53 per cent. of young people had been issued with transition plans on the move from children's to adult services—a point raised by my hon. Friend the Member for Ribble Valley (Mr. Evans) earlier—falling to just over one third in mainstream schools. That is illustrated by one local authority, which said:

"ASD is not 'core business' for learning disability or mental health, so will not be prioritised".

That is precisely the point raised by my hon. Friend the Member for Buckingham (John Bercow).

My own county council, Buckinghamshire, has done a piece of work to enable it to record the number of people with Asperger's syndrome and high-functioning autism in our area. In that respect, it is better than many other local authorities, but there is still a long way to go in my backyard before this information can be used effectively in service planning, let alone to address the urgent needs of this group of people.

Mr. Stephen O'Brien (Eddisbury) (Con): My hon. Friend is to be congratulated on introducing the Bill. I declare an interest as the chairman of the Cheshire Asperger's action group. She has referred to transition, among other things, and it is vital to recognise how much of a lottery that involves around the country, because of the disparity between local authorities in regard to the recognition of the need for support, let alone action, for people with autism, and with Asperger's in particular. The Bill would ensure that there was at least a minimum duty across the country, and it needs to be examined in Committee, so that we can remove these unfair disparities.

Mrs. Gillan: I am grateful for my hon. Friend's support. I am also grateful for the support of my Front-Bench team, including the shadow Secretary of State, my hon. Friend the Member for South Cambridgeshire (Mr. Lansley). I have sought—and I still seek—not to be at all political in the Bill. That has been quite outwith my thoughts. I have been delighted, as the Minister will know, by the cross-party support that the Bill has received. I am very touched that I have commanded the presence of the Front-Bench team here this morning, although, of course, it is not me but the issue of autism that is so important. I am grateful to my hon. Friend the Member for Eddisbury (Mr. O'Brien), the shadow Minister, for his intervention.

Mr. Graham Stuart (Beverley and Holderness) (Con): I, too, congratulate my hon. Friend on introducing the Bill today. Two concerns lead me to believe that these matters need legal backing. One is that those with autism do not always receive the care packages to which they are entitled, as that entitlement is not sufficiently backed in law. The other relates to transition. Recently, I discovered that a constituent of mine had not come to the attention of social services since leaving school 40 years ago, because of the care provided by his mother. We had difficulty in getting the local authorities to respond to this person, with whom they were not familiar, in order to put together a care package. My hon. Friend's efforts to put these matters into law will provide the necessary framework to ensure that these things can happen.

Mrs. Gillan: I am grateful to my hon. Friend for that intervention, but I must now get on to the purpose of the Bill, which I understand is also being supported by the Council for Disabled Children, Action for Children and the Children's Society. It seeks to build on the excellent work that has been done by the hon. Member for Gateshead, East and Washington, West (Mrs. Hodgson) in her private Member's Bill on special educational needs, by my hon. Friend the Member for Tiverton and Honiton in her ten-minute Bill, and by my hon. Friend the Member for Ilford, North (Mr. Scott).

The Bill is not intended to do everything that is required to help people with autism, but it aims to address some of the structural disadvantages that they face and to vitalise local activity around autism. It clearly specifies the actions needed to stop adults with autism being excluded from receiving the services that they need and to which they are entitled. Existing Department of Health guidance states that local authorities should already be working to assess the needs of adults with autism in their area. However, the reality on the ground is that most local authorities are not even fulfilling their obligation to know how many people with autism there are in the local area. Guidance has not had the required impact, and legislation is essential to ensure that people with autism do not continue to be excluded.

Nadine Dorries (Mid-Bedfordshire) (Con): I, too, congratulate my hon. Friend on introducing the Bill. She has mentioned people's exclusion from the services provided in their local area. There is a lottery regarding the provision that children with an autistic spectrum disorder or Asperger's syndrome receive. We also know that three out of four children in pupil referral units are on the autistic spectrum. That is why the Bill is so

[Nadine Dorries]

important, because it would ensure that those children were identified, enabling adequate provision to be secured for them.

Mrs. Gillan: My hon. Friend is absolutely right.

The clauses of the Bill specifically address the unique nature of this disorder and the challenges faced by adults, children, parents and carers affected by autism, while providing constructive and tangible measures at least to ameliorate their position. I hope that they will lead, in the long term, to local authorities developing the abilities of every child in their area.

The clauses relating to children seek to improve the data collected by local authorities on children with autism for strategic planning purposes. The Government have recognised that data collection on disabled children has significant gaps and, according to the "Aiming High for Disabled Children" report, the data on all disabled children across the board are poor. The policy commitments of "Aiming High for Disabled Children" and national indicator 54—NI54—to improve education for children with learning disabilities are welcome measures, but data collection seems to need legal force to make it happen universally.

The Bill also seeks to ensure that local authorities have regard to the needs of children with autism in preparing their key strategic planning tool for children's services. Children with autism are a sizeable minority population, with chronic needs that are too often overlooked. In addition, the Bill aims to strengthen co-operation between child and adult autism services and ensure that data collected by children's services are used to inform the development of adult services.

The clauses dealing with adults focus on the immediate and necessary support that adults with autism need. More than three quarters of primary care trusts do not keep a record of how many adults with autism are in their area, and 86 per cent. of local authorities say that having more information about the number of adults with autism would help long-term planning.

Mr. David Lidington (Aylesbury) (Con): Will my hon. Friend confirm that the Bill's scope will extend to the whole national health service? In particular, I should like to know whether the Bill covers an issue that I discovered in taking up the case of a constituent with Asperger's who was detained in a secure mental hospital. I found that the special NHS trusts dealing with such hospitals did not know how many of their patients had conditions relating to the autistic spectrum, and that those special patients were frequently denied the services they needed because they were simply not available and therefore ended up warehoused, sometimes for many years, before such treatment was made available to them.

Mrs. Gillan: That is absolutely right. My hon. Friend probably reflects the experiences of many hon. Members in dealing with constituency cases.

I am conscious that time is passing and that other Members want to contribute to the debate, although I have tried to be as generous as possible in allowing interventions. I would like to make a few more points about the scope of the Bill, which is also designed to tackle the chronic lack of services for adults with autism.

Autism does not fit in with how local authority services are structured. The problem is exacerbated, as we have seen in the examples discussed today, by a lack of understanding of autism among health and community care professionals, particularly those providing assessments. The resulting exclusion from services can result in an increase in support needs in the long term, with 33 per cent. of adults having developed mental health problems because of the lack of access to services.

The Bill extends to Wales.

Dr. Hywel Francis (Aberavon) (Lab) *rose—*

Mrs. Gillan: I want to make some progress, but I will allow the hon. Gentleman to intervene when I have concluded my point.

As I was saying, the Bill extends to Wales, and I would like to take this opportunity to commend the Welsh Assembly Government for the steps they have taken in their strategic plan—the autism spectrum disorder strategic action plan—to address many of the issues faced by people with autism. The plan contains a series of action points for local agencies in Wales, including accurate recording of the numbers of people with autism in each local authority area. It is a step in the right direction. In Committee, I would seek to withdraw the provision if given the undertaking that the Welsh Assembly Government would take the matter further.

Dr. Francis: I think that the hon. Lady has anticipated my question, but I would like to say, as chair of the all-party carers group, how grateful we and all carers in this country are to her for her initiative and her sterling work in this field. Is she aware of the various local authority initiatives already taking place in Wales, which greatly anticipate what she wants? As the promoter of the Bill that became the Carers (Equal Opportunities) Act 2004, may I say how important it was to have the Welsh Assembly Government to support my Bill? That said, I would like to thank the Minister for his responses, which I would say are largely a consequence of the work that the hon. Lady has done in recent months.

Mrs. Gillan: I thank the hon. Gentleman. I have the Welsh Assembly Government's plan here with me and I believe that they have made great progress and that many lessons can be learned.

Mark Williams (Ceredigion) (LD) *rose—*

Mrs. Gillan: I am just about to move on to discuss the generous offer made by the Minister in response to the Bill and the work of the National Autistic Society, but I will give way to the hon. Gentleman first.

Mark Williams: The hon. Lady referred to withdrawal of clause 6. Will she elaborate on the discussions she has already had with the National Assembly for Wales? She is right to highlight the excellent work undertaken in Wales with Autism Cymru. How positive is she about the Assembly's response?

Mrs. Gillan: I have a letter from the Assembly, but I do not have it to hand. I have been in correspondence both with the Minister here and the First Minister in Wales, informing them of my Bill and my intention to cover Wales, but also of my willingness to withdraw the particular clause, which was intended effectively as a

vehicle to allow me to discuss relevant issues in Wales. This is a devolved matter, but I fully intend to follow up what happens in Wales with the junior Minister who responded to me. I am pleased with progress and it is right to say that the Assembly has been ahead of the curve on this.

The Minister is also trying to get ahead of the curve. Following protracted negotiations with the National Autistic Society and phone calls with the Minister and his colleague in the Department for Culture, Media and Sport, I am delighted about that. Ministers have set out a programme of action in response to the proposals in the Bill, reflecting the demands and needs of autistic people and their families. However, the litmus test will be how these measures and the Minister's promises are implemented. Once again, however, I want to put it on the record that I am delighted to have these proposals. I know that the National Autistic Society and other organisations are thrilled that Ministers have moved so far and promised to deliver the actions necessary to fulfil the Bill's aims.

However, the Minister has confirmed, I think, that he would prefer the Bill not to go into Committee. He also knows that I have to press my case, because it is not right for me to let people with autism down. In his own words, as reported in *The Observer* last week:

> "Tens of thousands of people with autism have been repeatedly let down by the social care and health system while Labour has been in power... people with autism have 'not been well served'...The past has not been good enough".

He also generously conceded that the Bill "has had an impact". I cannot be another person to add to the disappointment of people up and down this country, so I must press my Bill.

Mark Durkan (Foyle) (SDLP): I congratulate the hon. Lady on her Bill, and indeed everyone else who has contributed to it. It does not extend to Northern Ireland, but I am here to represent the strong will of many people in Northern Ireland that this Bill should succeed. Like other Members, I am continually confronted in my constituency office with parents who should not have to negotiate between services and navigate through systems to find out whether their child has autism. They should be the first to know. That should be a matter of law, and the hon. Lady's Bill is a step in the right direction. A number of years ago, a taskforce report about Northern Ireland's departments dealing with education, health and—

Madam Deputy Speaker: Order. I hope that the hon. Member's intervention will be brief, as interventions should be.

Mark Durkan: The pledges in that report about Northern Ireland compare directly with the pledges given now, but the commitments have not been upheld because of service reorganisation and restructuring and changes of Ministers. That is why we need a platform for action and attention based in law.

Mrs. Gillan: That is my point exactly, and I am grateful to the hon. Gentleman. I sought to legislate for England and Wales, having been advised that Northern Ireland and Scotland would be outwith the Bill's scope. His point highlights my problem. Around May last year, my hon. Friend the Member for Tiverton and Honiton introduced a ten-minute Bill, but a magic two days before, a prevalence study was announced. However, it has not been delivered. That is yet another example of non-delivery. I cannot roll over on a set of promises. That is absolutely not possible at this stage.

Nick Herbert (Arundel and South Downs) (Con): I am so pleased that my hon. Friend will not give in and that she is determined to press this matter. May I tell her about one of my constituents, whose son's story is a testament to why this measure is needed? I refer to Mrs. Christine Gilliam's son, Luke, who was not diagnosed with Asperger's syndrome until he was 10—a late diagnosis. Mrs. Gilliam had to fight for her son's statement of special educational needs, as so many parents have to do. He had to be accommodated in a mainstream school and was constantly bullied. There was a lack of support for his transition to adulthood and he ended up in Feltham young offenders institute. Mrs Gilliam wrote to me saying:

> "There is a huge need for support for these young adults. With the right help and environment they are lovely people. Without help or people on their side, their future is bleak."

Is that not why the Bill is so necessary?

Mrs. Gillan: I entirely agree with my hon. Friend. That is another example that must be familiar to many of us as constituency Members.

I hope that I have been generous in giving way to as many Members possible; that I have been able to give the House the flavour of the Bill, which is all that can be done on Second Reading; and that if the Minister chooses to speak, he will reiterate the promises that he has made outside the House so that we can, in this instance, have our cake and eat it. He has said that he will deliver without the Bill, but our ability to discuss it in detail today can only add to the body of knowledge in his Department and the Department for Children, Schools and Families.

I am delighted that so many Members have responded so positively. Again, that is nothing to do with me. It is a tribute to the organisations that have worked so tirelessly, and to the many colleagues who have worked tirelessly in the House. I also thank the staff in my office. A private Member's Bill means an awful lot of strain and extra work for staff who are already overburdened with e-mails, letters and constituency work, and my staff are to be commended for the way in which they have stepped up to the plate.

I hope that the Minister will reaffirm his promises on the Floor of the House, and that he will give the Bill a fair wind into Committee. I also hope that the whole House will be able to put something on to the statute book that will improve the lives of many, many people throughout our country.

10.32 am

Mrs. Janet Dean (Burton) (Lab): I am delighted to be able to speak on Second Reading of this Bill, and I congratulate the hon. Member for Chesham and Amersham (Mrs. Gillan) on being drawn first in the ballot. As chair of the all-party parliamentary group on autism, I also thank the hon. Lady for choosing the subject, and for all her efforts over the past few weeks.

[Mrs. Janet Dean]

The results of the pressure created by the Bill are admirable, and are largely due to the culmination of support, awareness-raising and campaigning among the wider autism community over the past decade. Let me specifically acknowledge and thank the National Autistic Society for its commitment to championing the causes of children, adults, parents and carers who are affected by autism throughout the country. They continuously face an uphill battle when seeking support and guidance for those in need. The National Autistic Society has truly set a precedent in providing what is needed and expected: information, advice, advocacy, training and support for individuals and their families who are dealing with autism. The presence of the society, which has over 18,000 members and 80 branches across the United Kingdom, is widely felt in England, Wales, Scotland and Northern Ireland.

Further thanks are due to the Minister of State, Department of Health, my hon. Friend the Member for Corby (Phil Hope), who is responsible for care services, and to the Under-Secretary of State for Children, Schools and Families, my hon. Friend the Member for Portsmouth, North (Sarah McCarthy-Fry), who is responsible for schools and learners, for the letter that they sent last week outlining the Government's commitment to improving access to services, opportunities and, I hope, the lives of people with autism. I am delighted to note the Government's commitment to a new strategy, and warmly welcome the latest developments. Indeed, I want to record my thanks for the efforts that Ministers have made to work with the National Autistic Society to develop proposals whose implementation will surely require an extensive collaboration between groups and individuals in Whitehall and beyond to ensure that the needs of individuals affected by autism are truly represented.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): A key part of that collaboration must be within local authorities, not just between different agencies. Those in children's services departments need to talk to those in adult social care departments, so that the important transition phase works for the young people involved.

Mrs. Dean: My hon. Friend is right. We all know of occasions in our constituencies when those services have not worked together, and I hope the Minister will be able to reassure us that the proposed measures will ensure that that happens.

I fear that, owing to the tight time scales, the scope of the strategy may be too limited, and I hope the Minister will agree to meet me to discuss its progress and scope. I also hope he will assure me that the Government are committed to producing a comprehensive document along the lines of the carers strategy, and that it will have

"the bite it needs to be delivered",

as the Ministers state in their letter. Such clarifications will fill the gaps to enable the strategy to be implemented successfully.

Anne Main (St. Albans) (Con): The hon. Lady mentioned the carers strategy. She may recall that in March 2006 I attempted to introduce a ten-minute Bill to enable the disability and carers allowance to be granted automatically to those diagnosed with terminal illnesses. I was given assurances similar to those that she seeks from the Minister that it would all go ahead, and such assurances had also been given in 2005. I caution the hon. Lady that, in the absence of a Bill, it has not happened, and that that is why the Bill should go into Committee. I fervently hope that she will support the proposal that it should do so.

Mrs. Dean: I am mindful of the fact that the National Autistic Society has said that

"the debate on 27 February in the House of Commons, can now be used to secure these Government commitments, and to explore the details of how each measure will be implemented."

I hope that the Minister's response today will satisfy that requirement.

Andrew Selous (South-West Bedfordshire) (Con): The hon. Lady will know that, having set targets on child poverty, the Government are now deciding to legislate to try to eradicate it. If legislation is good enough for child poverty, why does she oppose legislation for people with autism?

Mrs. Dean: The Government's proposals involve amendments to section 7 of the relevant legislation. That will enshrine the measures in statute, so that authorities will have to respond.

Mr. Dismore: I think that the intervention from the hon. Member for St. Albans (Anne Main) was quite important. What she was effectively saying was that she did not trust the Government, and the implication of that is either that she has conceded that the Conservatives will not win the next general election, or that she would not trust her own side if they were in government.

Mrs. Dean: My hon. Friend has a point.

The discrepancy between the policies that we debate in Parliament and the reality of life for parents, professionals and people with autism has been a deeply held concern of the all-party parliamentary group for autism since its inception in 2000.

Mr. Heald: The hon. Member for Hendon (Mr. Dismore) referred to the Government's record. The Minister himself admits that their record is unsatisfactory, and that people with autism have been let down. My hon. Friend the Member for Tiverton and Honiton (Angela Browning) was promised a prevalence study nearly two years ago, but it has not happened. Why is the chairman of the all-party group rolling over, when if we keep the Bill we can put pressure on the Government to deliver?

Mrs. Dean: I have had many meetings to discuss the prevalence study, and I know that there are valid reasons—which the Minister will give later—for the fact that it has not begun. As chairman of the all-party group, I have been made aware of the facts over recent months.

I should like to continue with my speech now, because I think it important to mention some of the actions that are necessary and some of those that have already been taken. In a moment, I shall describe the actions taken by the all-party group in the last few years. It is not all negative; there have been some successes. The all-party group has specifically focused on the objective of raising awareness of issues affecting people with autism and Asperger's syndrome, and their families and carers, both in Parliament and through Government policy changes.

In the past nine years, we have commissioned a number of research studies, including our manifesto for autism in 2003. It set out four general principles and 11 specific objectives to deliver better services and support for people with autism, to be achieved in the following 10 years. It was developed as a result of extensive consultation across the autism movement, with contributions from people with autism, parents, carers, local groups and national organisations.

The general principles of the manifesto called for the following: all people working with people with autism to be properly trained; research to be carried out, especially into causes, costs and effective interventions on autism; improved service provision for those with autism; and improved tracking and planning of services for people with autism at all local and national agencies. In order to raise awareness in Parliament of the manifesto, the officers of the all-party group on autism tabled an early-day motion to enable Members to put on record their support for those objectives, and the overwhelming support it received was most welcome.

In October 2008, the all-party group launched "Half way there?", a mid-term review of our manifesto. It found that in the five years since the manifesto was published the profile of autism had risen among both the general public and parliamentarians and that there had been significant progress towards achieving many of the principles and objectives outlined. The Government's announcement of a national strategy for adults with autism has been warmly welcomed by the all-party group, as it removes some of the fundamental obstacles to progress.

Other key initiatives also delivered progress during the time frame. In the 2005-06 parliamentary Session, the Department of Health published a note to clarify the obligations of local authorities regarding adults with autism. That was the first Government document specifically on adults with autism. It stated:

> "The current position whereby some people with an autistic spectrum disorder 'fall through' local services—in particular between mental health and learning disability services—is unacceptable and contrary to the intention of Government policy."

Additionally, the launch of a Government-funded Autism Education Trust in November 2007 strengthened the focus on training teaching professionals and aimed to improve education support for all children with autism. In 2008, the Department of Health committed to developing an adult autism strategy, with the creation of a senior autism adviser post within the Department to ensure a continuing focus on, and sufficient attention to, autism. That adviser now provides leadership to local agencies in removing barriers that prevent those with autism from accessing the support and services they need. These Government commitments on autism signalled a real commitment to bringing about change. Progress has been hampered, however, by systemic shortcomings in the way information is collected and services are delivered.

The all-party group's current research takes the form of an inquiry into the transition from school to adulthood for young people with autism. We have received an outstanding response from parents, carers, professionals in the autism sector and from people with autism. People have been extremely keen to tell us about their experiences of transition and the changes they would like to see to improve the services so that young people with autism can fulfil their potential, lead happier lives and make a positive contribution to society. For this reason, I was extremely pleased to read in the Minister's letter of last week that the Government had confirmed their commitment to funding further research on transitions for young people with autism. When only 34 per cent. of students in mainstream schools are being issued with transition plans from children to adult services, that is an essential step forward. Can the Minister reassure me that this money will be ring-fenced to look specifically at improving transition for young people with autism? Additionally, as chair of the all-party group on autism, I ask the Minister if he is willing to share with me that strategy, ahead of publication.

One of the many themes that appears to be emerging from the all-party group transition inquiry is that, once past school age, many adults with autism—especially those with high-functioning autism or Asperger's—are not deemed eligible for support by social services. I suspect most Members will have come across cases in their constituencies where that has happened. Many of those individuals are told that they do not fit the criteria for support from their local authority's learning disability team, nor do they fit the criteria for the mental health team, and they therefore fall through the gap between the two services. Overall, 63 per cent. of adults with autism say that they do not have enough support to meet their needs. I therefore seek the Minister's clarification about how the new strategy will tackle that issue and so ensure that local authorities and NHS bodies will be obliged to remedy the current failing.

Justine Greening (Putney) (Con): First, like many Members, I wish to congratulate my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan) on introducing the Bill.

Does the hon. Member for Burton (Mrs. Dean) not agree that the issue is far broader than she has described and that it involves not only social services, but other Government organisations such as Jobcentre Plus, which often provides advice on job opportunities, and that this Bill is needed in order to start a much broader debate about support for people with autism, particularly young adults?

Mrs. Dean: The hon. Lady is right: the appropriate strategy needs to apply across society, and I hope that the Minister will tell us how the Government's proposals address that need.

Many people with autism, particularly adults, also face barriers to accessing services because social care professionals and others have inadequate knowledge of the condition. It is vital that those providing services to people with autism understand the disability and are fully trained to communicate with people with autism effectively and to facilitate them in explaining their needs fully. Can the Minister assure me that the new strategy will address that issue?

Mark Hunter (Cheadle) (LD): I pay tribute to the hon. Lady and the all-party group for the considerable amount of work they have done on this issue. I am struck, however, that she has asked the Minister on a number of occasions for reassurances on progress. Does she not accept that one of the best ways of being reassured about such progress is through the passage of this Bill today? If she is still reluctant to back it, will she explain why?

Mrs. Dean: I refer again to the letter that went out from the National Autistic Society, which referred to today's debate providing the opportunity to secure Government commitments that have been previously given, and, as chair of the all-party group, that is exactly what I am trying to do. I think that the Minister will have the opportunity to respond later and will be able to address those matters.

Several hon. Members *rose—*

Mrs. Dean: I want to allow other Members to speak and I have given way quite a lot, so I shall continue.

I want to ask the Minister not only about the new strategy addressing the issues I have raised, but about what specific steps he will take to address the lack of autism training for teachers, social workers and NHS professionals—and also other professionals, such as those at Jobcentre Plus, as the hon. Member for Putney (Justine Greening) mentioned—so that they are capable of working with young and old people with autism. Will the Minister meet representatives from the relevant professional bodies and discuss possible actions to address that lack?

The autism strategy is a once-in-a lifetime opportunity to effect a step change in service provision for people with autism, and improve the outcomes for them. I look forward to working together to provide solutions for children, adults, parents and carers affected by autism throughout the country.

10.49 am

Annette Brooke (Mid-Dorset and North Poole) (LD): May I start by congratulating the hon. Member for Chesham and Amersham (Mrs. Gillan) on introducing this Bill, and for the vast amount of detailed work she has obviously undertaken? We must also all reflect on the point she made that autism touches many people's lives.

The Bill has undoubtedly been a catalyst for the Government bringing forward a raft of proposals and, like others, I welcome them. They cover both children and adults, straddling the Department for Children, Schools and Families and the Department of Health, which is very important. This Government have really taken the agenda for children with special educational needs forward. All that is acknowledged.

In the past year, we have had many debates on special educational needs and children with disabilities, and in most of them we have raised issues relating to autism and to children with autism in particular. Let us consider the statistics that I and others have quoted on previous occasions. Some 45 per cent. of parents of children with autism say that it takes more than a year to receive support, and 50 per cent. of parents feel that their child is not in the right setting. More than one in five children with autism are excluded from school, 67 per cent. more than once. More than 40 per cent. of children on the autistic spectrum are bullied. An estimated one in 100 school-age children is on the autism spectrum. It is a developmental disorder—a hidden disability that is particularly reflected in a lack of social skills in certain settings.

We have been assisted in all our debates by the unstinting work of the National Autistic Society, and by TreeHouse in particular. I congratulate them on their continuing work.

Lynne Featherstone (Hornsey and Wood Green) (LD): TreeHouse, which is located in my constituency, does excellent work and is pioneering progress with autism and on the various measures available to offer help. It has just hired a transition officer as its first cohort approaches the age of 18. That is not the case throughout the constituency—many parents have terrible trouble and anxiety about transition; the facilities are simply not there. But even in the light of TreeHouse and the transition officer, nothing follows to assure parents that there is something for their children thereafter. Does my hon. Friend agree?

Annette Brooke: I thank my hon. Friend for that intervention. Obviously, I am very appreciative of the work of TreeHouse and would be very proud to have such provision in my constituency. Yes, there are huge gaps in available services. We can find examples of good practice; nevertheless, it just is not available to enough people.

I also want to congratulate the hon. Member for Burton (Mrs. Dean) and the all-party parliamentary group on autism for their work. "Half way there?", which was published just a few months ago, outlines clearly the significant progress that has been made in many respects in the past five years, but that same document acknowledges that huge holes remain in service provision.

Throughout all our earlier discussions, early identification and intervention have been common themes.

Mark Williams: My hon. Friend talks about the patchiness of service provision. Does she acknowledge that in that context, specialist knowledge within schools is a huge issue? That is not to be critical of the teaching profession; rather, I am talking about some of the training opportunities available for teachers in developing that specialist knowledge in our higher education institutions.

Annette Brooke: I thank my hon. Friend for that intervention. Yes, although it is true that the Government have moved forward with initial teacher training on special educational needs, the first cohorts with such training will not come through until 2011; and yet, the Government have been pursuing an inclusion agenda for the past 10 years. These things must marry together.

Early identification and intervention is very important, but we have to recognise that some conditions need ongoing support throughout life, and that is of course true for many people on the autistic spectrum. Ongoing support and appropriate interventions are a requirement—a necessity. Such support has to be tailored to individual needs, and those needs will be very different, given the diversity within this condition. Support must be available at the right time, at the right quality and to all those with needs, so it is not just a matter of identification, important though that is.

I am told by health professions locally that diagnosis for children in Dorset is adequate, but I do not doubt that improvements across the country and in Dorset are necessary. We do have a Dorset children's autism strategy, which is described as a good platform, but it has not led to a strategic plan for delivery and implementation.

I want to consider the different types of support required, and to start with parents. As we often say, parents, as first teachers, are with their children more than anybody else. They need to understand the condition

of autism. It is not a question of just one or two sessions explaining the characteristics of autism in a particular child's circumstances, but of continuing support. The more that parents and carers can understand, the more that they can help their children to develop. People with a child with autism cannot just turn to a textbook and look at straightforward processes of a child's development.

Sandra Gidley (Romsey) (LD): My hon. Friend raises a very important point about the help available to parents, but does she accept that even in the medical profession itself, many professionals are poorly trained in these aspects of health delivery? The subject is little understood and there are significant needs in that regard, as well as in social services.

Annette Brooke: I thank my hon. Friend for that intervention. It is absolutely right that there is a need for more training and knowledge across the board for any professionals who come into contact with people on the autistic spectrum.

We have a local parent group, which is very important, but a parent support group should be an add-on, not the main form of support. This group has had support from TreeHouse on how to negotiate with the local authority, which is interesting to note. Parents also need respite. I am extremely pleased with the Government's programme Aiming High for Disabled Children. However, we in Dorset are a pilot for that, and professionals tell me that we have yet to see clear benefits in terms of children with autism being given respite care. That is an important issue.

Mrs. Humble: Before the hon. Lady moves on from support services to parents, may I advise her on one point? In Blackpool, there is a specialist team that offers advice to both teachers and parents, advising them on the issues that they will face, including those as the child grows older. She mentioned earlier that there are examples of good practice. Surely one thing that must come out of the Bill is that, where good practice exists, it must be spread around the whole country, so that the gaps she referred to can be filled.

Annette Brooke: I thank the hon. Lady for her intervention and I could not agree more. We all know of examples of good practice and how frustrating it is when they are not spread right across the country. The spreading of such good practice must indeed be an outcome, as I hope it will be, of the Bill.

Parents face various issues in finding the right school, such as whether it should be a special school or a mainstream school, and the fight to get a statement. The situation is incredibly fraught for parents, and even within a given mainstream setting there will be teachers who, as yet, have not had that training. There are children with autism who, by the age of eight or nine, are perhaps struggling with the academic side but particularly with social skills. It has to be recognised that such children will often need a modified application of the national curriculum. They might not be able to cope with whole-class lessons; they need a quieter environment. There is so much to be appreciated.

Moving on to transition—

John Bercow: Will the hon. Lady allow me?

Annette Brooke: I will, but I am getting a bit worried about the time.

John Bercow: I am extremely grateful; the hon. Lady is generous in giving way. Does she agree that, more widely across the field of policy and in other legislation, the Government have a continuing duty to give particular consideration to people on the spectrum? For example, on the Government's proposals for apprenticeships, in which I see much merit, does she agree that there should not be arbitrary academic requirements for accessing those apprenticeships? Such requirements might very well cut off opportunities for people on the autistic spectrum who would be well suited to an apprenticeship, but who might lack the formal academic qualifications that the Government have in mind.

Annette Brooke: I thank the hon. Gentleman for that intervention and I am looking forward to some productive discussions about young people with special educational needs in the context of the Apprenticeships, Skills, Children and Learning Bill. There is a great deal to be said for offering alternative routes forward for children and young people with special educational needs, and I hope that successful amendments to the Bill achieve that.

I was very pleased to serve on the cross-party panel of MPs that was established to conduct hearings on services for disabled children. Of course, I should note that the vice-chairman was the hon. Member for Blackpool, North and Fleetwood (Mrs. Humble). Among the horror stories we heard, it came through very clearly that parents felt that they had somehow got through school only to find that, lo and behold, they were faced with the transition stage. Time and time again, we hear that successful outcomes through transition can be achieved only by parents screaming for the services that they need.

We hear so frequently of the inadequacy of transition planning and communication between children's and adults' services, the lack of co-ordination between different services and agencies, and the lack of assurance of support when a statement comes to an end. We must have multi-agency assessment at the right time, and we need transition plans to be developed with families and appropriate goals to be set. I was recently given a local example when a young person on the autistic spectrum had a college placement and was in a class with a group of young people with mild learning difficulties. One might have thought that that would have been all right, but in fact it was not. That young person, because of their difficulties with social skills, could not handle the lack of structure outside class times. It just shows how much thought must go into everything and the special planning for individual needs that is required.

Paul Holmes (Chesterfield) (LD): My hon. Friend has just given a sequence of facts that exactly mirror and reflect what a constituent of mine has told me. Sarah Oldfield has autistic children, but she also runs a web-based parental support group that extends beyond Chesterfield and Derbyshire to across the country. The parents with whom she is involved have made those exact points about the difficulty of getting information when a parent realises that their child is on the autistic disorder spectrum, the difficulty of getting a statement—the

[Paul Holmes]

arrangements governing statementing can be appalling in some parts of the country and very good in others—the difficulty of getting proper support in mainstream education and the transition issues. Does my hon. Friend agree that the very fact that there is such diversity of provision across the country—from good practice to appalling practice—is why we need a legislative framework such as that proposed in the Bill to try to ensure that there is a more uniform approach? That is why I hope that the Government will adopt the proposals in the Bill.

Annette Brooke: I thank my hon. Friend for that intervention. Our party agrees that we need that legislative framework.

Let me move on to adults, because I want to reflect on a few comments made by the Dorset adult Asperger's support group. It has only recently been set up, but it reflects the problems of such adults very well. Each individual family has different needs. Asperger's is an unseen condition in which there is no noticeable physical disability and it is mostly not recognised or acknowledged, not even by professionals such as social workers and GPs. The individual has a personality that does not fit in with the norm, with odd behaviour and obsessions, and often has an acceptable IQ that does not come under the definition of special needs, which means that they can fall through the gap between social services and mental health services. These adults can have depression and more extreme psychiatric conditions, and so they need to be seen by the mental health teams. Many live a normal life and can hold a job, but others are employable in a limited way and others are completely unemployable and struggle to fill their days. That can be a great strain on all concerned.

I have another local example that I want to mention. A young man got a job collecting trolleys at a supermarket, but he did not react very well to females. On one occasion, a lady customer asked him to move the trolley and he responded with very strong language, as one might imagine. There was a real lack of understanding from everybody. That example shows the support we need to offer: additional job coaching, teaching people how to deal with social gaffes and work with employers. We need to try to fill the social skills deficit.

The big problem is that many of those people fall between NHS and social service departments, particularly in the case of those with Asperger's. The support group also said that those adults and their parents struggle with behavioural problems. Those adults need independence but are unable to be independent. There is a lack of suitable housing, and those with Asperger's are often unable to claim benefits as many have difficulty in getting a proper diagnosis. What is offered to them is, as I have said, a Cinderella service. Indeed, the new criteria will make claiming the disability living allowance difficult for some of those people. They can also be socially isolated through the lack of facilities that can offer a professional approach and understanding. Once a youngster leaves full-time education, they are on their own. Parents have already gone through years finding the right place in education, often not succeeding, and, sadly, the fight goes on for parents until they die. That sums up some of the problems of parents who support adults with autism.

I want to congratulate the Wessex Autistic Society, which is an important organisation that provides valuable services in Dorset. I also want to highlight the importance of the voluntary sector. I have a special mission in that I feel that adults with autism need a key worker. I hope that the details of the Bill will reveal that such provision will be made, because I find that in constituency cases my office can become the key worker if I am not careful. It is absolutely essential to have a key worker when an adult is not claiming benefits, is building up debts and needs health and social services support. Somebody has to take ownership of that.

Mr. Oliver Letwin (West Dorset) (Con) *rose—*

Anne Main *rose—*

Annette Brooke: I am about to finish, if the hon. Members do not mind.

The Bill, which I wholeheartedly support, identifies the basic need for good information on which commissioning can be based. We must know what the needs are. Scarce resources must be used effectively. We need to know the requirements for services and support. Planning and commissioning must be preferable to reactive—or even a lack of—purchasing of services. Those services should offer value and quality. We obviously need to improve inter-agency working to secure effective transition for young people from child to adult services. If I was writing a report, I would classify the transition stage as poor and I would classify the current support for adults as dire.

We need work force training and sharing of good practice, and people must not fall through the gap. There are a lot of issues to consider, and I ask the Government whether the measures that they are proposing will provide the bite that is needed across all the issues.

Mark Hunter: My hon. Friend has made a number of eloquent and supportive comments about what the Bill seeks to achieve and, of course, she speaks for us all in that. Like many hon. Members who have spoken, I have received dozens of cards from constituents who are concerned about this matter. Does my hon. Friend agree that they will struggle to understand why, given the assurances that the Minister has been prepared to give, the Government will none the less not allow the Bill to progress? If they support so many of the initiatives—indeed, all the key initiatives that the Bill seeks to establish—why will they still not allow it to make progress? Is that not the only belt-and-braces way of ensuring that progress will be made?

Annette Brooke: I thank my hon. Friend for that intervention and I shall return to that point in my conclusion.

It is important that the Bill should move to Committee. There are a lot of questions—I have a long list here, which I will not go through because of the time available—and we need assurances about what the regulations will do. We need to know who will be included and whether children and young people with Asperger's syndrome will definitively be included on registers. There are many questions to ask and they need to be tackled in detail in Committee. The Bill is about ensuring that we improve the outcomes for millions of individuals and families, because without the right support we know that they suffer profound and devastating effects.

We must approach the issue across society. I agree wholeheartedly about the need to involve Jobcentre Plus and the need to give all the advisers special training. The Liberal Democrats support the Second Reading of this Bill and we want to have further discussions in Committee.

11.9 am

Dr. Stephen Ladyman (South Thanet) (Lab): Many of the comments made by the hon. Member for Mid-Dorset and North Poole (Annette Brooke) were about adults and I entirely agree with the sentiments she expressed, but if the Bill goes into Committee, one of the questions that the Committee ought to ask is why the Bill contains no duties relating to the police and the courts, which often do not recognise the needs of autistic people, and no duties relating to the Department for Work and Pensions and Jobcentre Plus. If the Bill makes progress, perhaps the hon. Member for Chesham and Amersham (Mrs. Gillan) will discuss those matters.

Mrs. Gillan: I have never said that the drafting of the Bill is accurate or perfect—quite the reverse. I am flexible and, during the Committee stage, I would welcome amendments that improve the Bill and extend the benefits for people with autism.

Dr. Ladyman: I know that the hon. Lady has never claimed that the Bill is in its final form. My understanding is that she regards the Committee stage as an opportunity to debate the Bill, and I think there is even an implication that she does not expect it to come out of Committee—

Mrs. Gillan *rose*—

Dr. Ladyman: If the hon. Lady lets me complete my comment, I shall then give her an opportunity to respond. If the Bill is not to complete all its parliamentary stages, we need to explore what the Government have to do to ensure that what desperately needs to be done for autistic people is indeed done, as a result of this debate.

Mrs. Gillan: I want to disabuse the hon. Gentleman. If, in Committee, details and cast-iron assurances are given, or if the Government have, in fact, completed and delivered the measures set out in the clauses, we could withdraw the Bill. The Committee stage will give us the opportunity to have detailed discussions; we could then bring the Bill back for Third Reading, when people will be able to see what shape the legislation has taken. It is subject to the will of the House, as the hon. Gentleman knows.

Dr. Ladyman: I entirely understand that that is what the hon. Lady envisages. At this point, let me congratulate her on introducing the Bill. She has done excellent work, and the very introduction of the Bill has focused the Government's mind on ensuring that concrete progress is made. I congratulate her, her team and everyone else who has been involved in that process.

I also congratulate the chairman of the all-party group on autism, my hon. Friend the Member for Burton (Mrs. Dean), on the work that she and the group are doing. When the group was started, back in 2001, and I had the honour of being its first chairman, I found the degree of consensus among Members of both Houses and all parties and their willingness to co-operate very heart-warming. The all-party group has made tremendous progress as a result of that attitude. We would not have reached the present point without the efforts of that group and of all those involved in the campaign.

Mr. Letwin: The hon. Gentleman was a junior Minister of some distinction and I regret his disappearance from that post. Does he agree, however, that it is not within the gift of the two junior Ministers who signed the undertakings to deliver on those undertakings in practice?

Dr. Ladyman: I understand the right hon. Gentleman's point. What is needed is a commitment of the whole Government to deliver the measures. I also agree with Opposition Members that we will need some provision in legislation to make that happen. That provision might take the form of statutory guidance, or it might be achieved through other mechanisms or other legislation. What we have to debate today and in Committee, if the Bill reaches that stage, is whether this Bill is the legislation that is needed to make that happen, or whether we can achieve it better by some other means.

I shall listen carefully to the Minister of State when he replies to the debate, because if I do not hear unequivocal guarantees that the Government's promises will have statutory force behind them, I too will want the Bill to complete its parliamentary stages, and I shall work with the hon. Member for Chesham and Amersham to get it through this House. If, however, there is a better way to achieve our ends, surely that is what is important.

My experience in the all-party group and subsequently is that, where the Government are concerned, we have been pushing at an open door. We have heard one or two comments this morning from Opposition Members about measures that have not been delivered, and there are questions to be answered about whether the prevalence study has progressed as fast as we would have liked. I hope that the Minister will give us some reasons why we have not yet seen the results of that study; I suspect that they will have to be very convincing, if he is to please the House today. Other than on those points, however, the Government have a proud record.

This Government have delivered best practice guidance for schools and education services and for health services on dealing with autistic people. They delivered the autism exemplar of the national service framework for children's health, as well as a raft of other initiatives that have moved the agenda forward. We all agree, however, that no matter how well motivated the Government have been, delivery has fallen short at local level.

We can all cite from our constituencies examples of parents fighting to get their child the special school place that they know their child needs. Local authorities took cognisance of the fact that this Government had passed legislation to ensure that parents of a disabled child had the right to a mainstream school place for their child, and interpreted the legislation to mean that it removed parents' right to ask for a special school place. The legislation did not do that—the Government have made that clear. Parents have the right to ask for a special school place if that best suits their child, but many local authorities deny them that right and are prepared to take such cases all the way to special educational needs tribunals, where they pay expensive barristers to argue the council's case against a parent, who is doing no more than fighting for their child. We have all seen examples of that and we all want it to stop.

[Dr. Ladyman]

We all want improvements to be made to the transition from children's services to adult services. If and when the Bill goes into Committee, we must discuss the problems of transition. Now the transition is defined as that which occurs at the age of 18 but, as many of us know, in many local authorities a gap emerges between the ages of 16 and 18: an autistic child goes through the schools service and reaches the age of 16, and the local authority just assumes that there is nothing it need worry about until the autistic person reaches the age of 18 and suddenly becomes the responsibility of adult services.

Anne Main: The hon. Gentleman makes a valid point, adding to the comprehensive list that has already been set out by Members on both sides of the House. Surely that is precisely the reason why the Bill should go into Committee. Line-by-line, word-by-word scrutiny will happen only in Committee; our concerns will not be dealt with by any assurances the Minister gives today.

Dr. Ladyman: I thought I had made it clear that, if the Bill goes into Committee, there are matters that need to be discussed. The only possible reason not to send the Bill to Committee would be if the Minister unequivocally addressed today all the points that are being made, but I can see already that, whatever he says, Opposition Members will want the Bill to go to Committee. I have no problem with that, although I would say that serving that Committee would divert the Minister's attention at a time when he could be moving the agenda forward. I am merely suggesting the areas of additional scrutiny that I want the Committee to cover.

Angela Browning: The hon. Gentleman's track record on this subject is second to none. He referred to cases that ultimately go to court, usually to challenge the local authority. Increasingly, the pattern is that local authorities settle out of court but, owing to the stress involved, it would be helpful if we did not have to get to that point. When there is legal challenge, the courts often want to know what Parliament's intention was. If measures have not gone before Committee and are not statutory, that undermines the case put forward by people who need the protection of the courts.

Dr. Ladyman: The hon. Lady says that my record is second to none, but my record is second to hers, and I acknowledge her contribution to the debate. She is absolutely right: if we are to ensure that cases do not go to court, or go to court and are resolved properly, there will have to be statutory force behind what we want to achieve. My only question is whether the Bill is the right sort of statutory force. I note that the clauses are all about the duty to "promote" and "recognise". Those are mealy-mouthed expressions, in legislative terms. They give local authorities a wealth of opportunities to say, "We are promoting this. You'll have to prove that we're not promoting it before you can achieve your objective." If the Bill goes into Committee, I will want the Committee to explore whether those are the right levels of assurance for local authorities and public bodies.

Anne Milton (Guildford) (Con): The hon. Gentleman is actually making the case for allowing the Bill to go into Committee; we could then raise all those issues. Far from distracting the Minister, Committee would be an opportunity for the Minister to hear all the expertise on autism that there is in this place, and to ensure that any legislation that follows really addresses the issue and results in outcomes for people who suffer.

Dr. Ladyman: I agree with the hon. Lady. She seems to be assuming that I am opposed to the Bill going into Committee. I am saying that there is a circumstance in which I would not wish the Bill to go into Committee, and that is the situation in which the Minister gave us cast-iron guarantees today on all the points raised by the Bill. Assuming that he does not give us those cast-iron guarantees today, the Bill will need to go into Committee, and I am setting out the points that I want to hear that the Committee has addressed. I am explaining the key issues that I have in mind that will have to be addressed if the Bill is to come out of Committee in a form that we want to see progressed.

Let me set out the absolute key issue that I want to have addressed; it will have to be the Minister who addresses it, because I do not think that Standing Orders will allow the Bill to do so. The hon. Member for Buckingham (John Bercow) and I are advisers to the Learning Disability Coalition, which is a coalition of campaigners for and champions of people with learning disabilities of various needs, including those with complex learning disabilities. It is campaigning to make sure that the needs of people with learning disabilities are properly recognised by Government, councils and public authorities. Indeed, next week I am leading a delegation of people with learning disabilities from that coalition to see the Minister and put their case to him.

One of the hot topics for those of us who campaign for people with learning disabilities is the fact that nobody knows how many people there are with learning disabilities. Nobody knows how many of those people have complex needs. Local authorities do no survey of people with learning disabilities, just as they do no survey of the number of people with autism in their area. It is not that one disability is in competition with another; we want everybody with a disability to get the support that they need from our public bodies. The Bill may make it councils' responsibility to make a proper assessment of how many people in their area have autism, but it will not do anything for those people with learning disabilities or, for that matter, physical or other disabilities. We need to end up with a statutory requirement on local authorities to carry out a comprehensive assessment of disabilities in their area—all disabilities, affecting people of all ages. That includes children, adults and young adults.

Local authorities need to make such assessments for people from cradle to grave. They need to come up with a proper strategy to support people with all disabilities, based on that assessment. That assessment needs not just to include the services provided by a council, but to cross boundaries into the services provided by the health service, the courts and jobcentres. As it stands, the Bill will certainly improve circumstances for people with autism but, if we are to legislate, I would like us to legislate more comprehensively so that we can make sure that the assessment is carried out for all people with a disability.

Mr. Heald: Is the hon. Gentleman not in danger of making the perfect the enemy of the good? Two years ago, Ministers promised us a prevalence study on autism; we have not had it, but the Minister is now saying that he will ensure it. He says that he will produce a consultation on a strategy for autism. Surely the hon. Member for South Thanet (Dr. Ladyman) is not seriously saying that we should not take that, but should instead wait for some grander plan dealing with all disabilities. Let us bank what we can get now for those who suffer from autism. My goodness, nobody knows better than he does that the parents, the carers and the people who suffer from such conditions need that now.

Dr. Ladyman: Of course they need something now, but so do people who are responsible for children with all other disabilities—learning disabilities, including complex learning disabilities, and physical disabilities. Those children, too, need people to assess their needs properly and build a proper local strategy for supporting their needs. All I am arguing is that we should not ghettoise those areas of disability. I agree that if, at the end of the day, we get something for autistic people out of the process, that will be a step forward, but it is not where we ought to be as a country. We ought to require a proper, comprehensive assessment of disability. We require a proper strategy to be put together to support people with disabilities in our local communities. We also need a requirement to be added to the Bill requiring all authorities to co-operate on producing such a strategy. At the moment, I do not read such a duty in the Bill; authorities are simply to promote the cause in their own little ghetto. That is not good enough.

Mr. Henry Bellingham (North-West Norfolk) (Con): Surely that point is another very good reason why the Bill should go into Committee. If the hon. Gentleman feels that he can improve the Bill, why does he not let it go into Committee, sit on that Committee and try to improve it there, and so help my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan)?

Dr. Ladyman: If I have said it once, I have said it 15 times in this debate: the only circumstance in which the Bill should not go into Committee is if the Minister today gives us absolutely unequivocal, cast-iron guarantees on all the issues raised by the Bill. What I am hearing is that Opposition Members will not be convinced, whatever he says, so it is inevitable that the Bill will go into Committee. I am raising the issues that I would like the Committee to address.

Mark Durkan: My hon. Friend has said a number of times that he wants to hear the Minister give cast-iron guarantees today. If those guarantees are to be cast only today, how do we know that they are cast iron? The only place where we can test their cast-iron quality is Committee.

Dr. Ladyman: That may well be the case. The promises that the Minister gives, either today or in Committee, must have statutory back-up; that is the touchstone. Whether that statutory back-up is the Bill, other regulations, or another Bill that he promises to bring forward, there must be that statutory back-up, and I would like such back-up not just for autistic people, but for people across the wide spectrum of disabilities.

I have no intention of continuing to take up the time of the House. I once promised myself that I would not play Friday games, after I was tasked with talking out a Bill on mini-motos. I had to talk, from the Front Bench, for two hours on the subject before I was brought up short by a closure motion, moved 20 minutes before the deadline by which I would have talked the Bill out. I do not intend to do that today; I intend to listen closely to the Minister's comments. I repeat that the guarantees that he gives must be cast iron. They must have statutory back-up. If the Bill goes into Committee, as I suspect it will, I will want to see it come out of Committee much improved. I certainly want the promises that the Government make to autistic people backed up, but I also want them extended to people with other disabilities, and people with learning disabilities—a group that is particularly deserving of further attention from the Government.

11.29 am

Angela Browning (Tiverton and Honiton) (Con): It is a great pleasure to follow the hon. Member for South Thanet (Dr. Ladyman). I begin by saying a warm and personal thank you to my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan). She has brought this Bill before the House today, but I know of her long-term interest. I am immensely grateful to her, not just as a colleague but as a friend, for picking up the remains of my ten-minute Bill of last year and choosing it as the first Bill from the private Members' Bill ballot. I also thank many other Members for their support and interest over the years; this is getting to sound like a swansong, although I hope this is not the last time that I speak on autism in the House.

Autism has been important to me. I am sure that many Members will know that I have a 37-year-old son with Asperger's syndrome. Furthermore, I have been pleased to be involved in the issue as vice-president of the National Autistic Society and patron of Research Autism. I should say to the hon. Member for Mid-Dorset and North Poole (Annette Brooke) that my family and I are eternally grateful to the Wessex Autistic Society for its support over many years.

I have listened to the Minister and talked to him about the Bill. I have read what he has said. Like everybody else in the House, I welcome the measures that he announced in response to the Bill introduced by my hon. Friend the Member for Chesham and Amersham. We all welcome them, but as Members from all parties have already said, the House is looking for a sea change in how we approach autism. It is true that a lot has been done over the years, and I pay particular tribute to children's services and the field of education. We are not there yet; I am not complacent in any way. However, I am often invited to schools for children with autism and sometimes to residential care institutions for such children. When I compare those children with their counterparts of 20 or 30 years ago, I see a generation who have an autistic spectrum diagnosis but who are more confident because of the more appropriate care and support that they get. Many of them will come to their teens and adulthood with a greater and more positive expectation of what life will be like for them than did previous generations.

That is why in the past few years I have tended to concentrate my own interests on adult services. My fear is that the current generation, having had their expectations built up, will be let down when they reach that all-important transition period, which has been mentioned and is an

[Angela Browning]

important part of the Bill. I am thinking, not least, of adulthood. I hear the good intentions, but I say to the Minister that the issues have to be enshrined in regulations and statutes that will work. That is important.

Yes, promises have been made in the past, and one of them was made to me. It was to do with my ten-minute Bill. The National Autistic Society wrote to me—I have the letter here somewhere—saying I would have to alter my speech of the following week because the Government had already announced they were going to do a prevalence study. I was delighted, and altered my speech accordingly. However, as the Minister knows because we have discussed the issue, here we are at the end of February 2009 and that prevalence study has not yet started.

I do not doubt the Minister personally, but we need to give proper protection to those whom this legislation will help. I am, as I said, a vice-president of the National Autistic Society and am only too well aware of its welcome for the moves that have been made, and it has made that clear to Members of Parliament. However, I do not wear just that one hat. I am a parliamentarian and understand the importance of scrutiny. I shall give a short example.

In our cordial discussion the other day, the Minister referred to a document in which the term "autism" was used. I had to ask him what we meant by that. Were we talking about statemented autistic children or autistic children with a special educational need? The Minister rightly said that we would have to discuss and clarify the matter. What better place to do that than in Committee? That is what the Committee stage of a Bill is for. It is important to get things right in Committee and for people to know about the Government's intent.

John Bercow: My hon. Friend is speaking authoritatively, as always, on this subject. She referred to the disappointment at the fact that the prevalence study had not yet taken place. So that we understand and so that those listening outside the House to this debate know of the reason for the scale of the disappointment, will she be good enough to point out how long ago that ten-minute Bill was introduced, and therefore when the commitment to carry out the study was made?

Angela Browning: The commitment to carry out the study was made in May last year, but I understand that it has not even been commissioned yet.

As the Minister knows, my comments are not personal to him, but I want to make sure that everybody understands what our experience has been. I have already made this point to the Minister during a meeting of the all-party group on autism. Some years ago—in 2001, I think—the Government produced a document called "Valuing People". In it, they specifically excluded those with Asperger's syndrome from having access to learning disability teams in social services departments. As a result of the furore that followed, the Government issued a Department of Health circular—I have it here—that is written under section 7 of the Local Authority Social Services Act 1970. The circular has a lot more clout. It is a regulation written by the Department and circulated to local authorities. In this case, the authorities were told that they were required to make availability assessments for people with Asperger's syndrome. The problem is that a learning disability is defined as having an IQ of less than 70. However, we know that members of the Asperger's syndrome population can be of average if not high intelligence. Indeed, I venture to say that many of our academic university departments—particularly those specialising in maths and physics—are highly populated by people with the syndrome. They are very bright, intelligent people.

However, the horror of the condition is that those people may have that academic ability but they still have what is referred to as the "triad of impairment". There are three characteristics that are common to all people with autism, wherever they are on the spectrum, including their ability to communicate and the impairment of social imagination and interaction. That means that there is the anomaly of people who at first sight appear to have nothing wrong with them. There is no white stick, but, like an iceberg, two thirds of their lifelong disability is below the surface. We know from well-defined research—including papers produced over the years by the National Autistic Society—by many people around the country, that such people, who are bright or of average intelligence, can see how the rest of the world turns and society behaves and try to be part of it. But, however hard they try, there is always a glass wall in front of them that they cannot break through. They are only too acutely aware that friendships, social relationships and all the things that make up how everybody else lives their lives are not available to them. If such people try and try and cannot break through that, there are consequences. The consequence, often among adults in their early 20s, who have made the effort to be part of the world and society, is that they develop serious mental health problems—not because they have autism, but because of their effort to try to be part of society. According to one National Autistic Society report, the suicide rate is 8 per cent. among the Asperger's syndrome population. That is incredibly high.

We are talking about a condition that involves a spectrum and that on first sight might appear to many people not to warrant the support and attention from the statutory services that would help them through. We are also talking about a lifelong condition that is a life-and-death situation. Some of us have constituents who have experienced the death of an autistic child—not because the child had autism, but because life became too unbearable for them and they gave up. We would all give up if we had to experience such a condition without the right support.

Andrew Miller (Ellesmere Port and Neston) (Lab): The hon. Lady has made an extremely powerful point, particularly in relation to people of substantially above average intelligence. In the work that I do with those in the IT industry, I come across many highly intelligent, even brilliant people who find it very difficult to relate to what the rest of us would call normal behaviour. Right at the heart of this at the moment is the case of Gary McKinnon. I personally think it would be a tragedy if he were extradited to the US, because the courts have failed abysmally to take his Asperger's syndrome into account.

Angela Browning: These are very complex cases. In order to support people who fall foul of the criminal justice system—I have been involved in several of these cases—we need expert witnesses whom we can call to present the case for that person. I have raised on the

Floor of the House on more than one occasion my concern about people with Asperger's syndrome who fall foul of the mental health services when they are inappropriately treated, and that can also involve the criminal justice system. We are talking about support for people who need very specialised expertise, which is available to them in this country.

Many people with Asperger's are highly intelligent but have difficulty coping with everyday life. The social services and the Department of Health have "tick lists" as to who will and who will not get some support with their everyday needs. Sometimes something as simple as providing a befriending service so that the person has somebody—age-appropriate, it is to be hoped—to have an evening out with socially can make all the difference to their sense of well-being.

Liz Blackman (Erewash) (Lab): Is not part of the issue that the hon. Lady is describing to do with the culture and leadership of the organisations and services that we are talking about? That is a real challenge for all of us in this House to try to move and shift.

Angela Browning: I agree with the hon. Lady, whose knowledge of this subject is of extremely long standing.

That brings me back full circle to where I started, with the Department of Health circular. I am concerned that in order to deliver his promises on regulation, the Minister is going to lean on section 7 of the 1970 Act, as the Department did back in 2001. The circular that it produced told health and social services that they must now take account of Asperger's syndrome and make assessments for it available. Whenever I am invited to talk to an audience of people interested in autism, I have made a habit of taking about 20 photocopies of this circular with me because increasingly it is totally ignored, yet it has statutory weight behind it. If this is the legislation that the Minister is going to rely on for his regulation, he will have to convince me that he will ensure that this can be implemented. To my certain knowledge—I am not exaggerating—I have given away hundreds of copies of this circular, not just to parents but to professionals, because they were not aware that it existed, and people have been denied access to services as a result. I know that this circular has been used in several court cases that have been brought to try to get packages for people with autism.

I know that many people in the House want to speak on this subject, although I hope they do not speak for too long. I want to give them a chance to do so but will just finish with this point. The Minister will know that the National Audit Office is concluding an extensive report on the subject of autism. As a member of the Public Accounts Committee, I was fortunate enough to visit Sir John Bourn and his team in January last year and ask them if they would report on autism, because the PAC has seen some excellent reports from them in recent years on subjects such as strokes and dementia. The PAC is of course interested in value for money in public expenditure, but those reports on dementia and stroke flagged up not only the economics of dealing with this population of people but the gaps in the system that have been mentioned many times today, and the human dimension of not doing something properly.

I am aware, as I am sure the Minister is, that the report on autism will be published in April. We look forward to its findings. However, if he does not let a Committee sit to scrutinise the Bill, I can assure him that his permanent secretary will appear before the PAC before too long, and we are not an easy bunch when it comes to letting people off the hook. The choice is his—he can either come and face the music in Committee himself or put it off until later in the year and let his permanent secretary do the job for him. I have always believed that ministerial office means that the buck stops on the Minister's desk. It would be very good if he would think again about allowing the Bill of my hon. Friend the Member for Chesham and Amersham to be scrutinised so that the meaning of the words can be examined and the legislation got right.

Angela Watkinson (Upminster) (Con): I apologise, Madam Deputy Speaker, for not being here at the beginning of the debate. I have just come from one of my local primary schools, where the head teacher commented that the numbers of children being identified with conditions on the autistic disorder spectrum is growing, particularly among boys. There is therefore an absolute need for the provisions in the Bill, and we must get it into Committee.

Angela Browning: I agree about the scale of the problem. I am not 100 per cent. certain in my own mind—I say this as a lay person—whether there is a greater prevalence now than there was before. I think that we are identifying more people on the spectrum than we did before. The hon. Member for Ealing, North (Stephen Pound), who was in the Chamber earlier, asked my hon. Friend the Member for Chesham and Amersham to define autism. It is not new. It is relatively new for it to be talked about, and wonderful that so many MPs are talking about it. However, it is relatively new in this country in this context. It was first identified in the 1940s by a German called Kanner, and at about the same time an Austrian called Hans Asperger identified Asperger's syndrome. Speaking as a parent who has a child who was born in 1971, I find that people understood autism in its most profound sense of Kanner autism, particularly at the most extreme end of the spectrum where children would have to be looked after for 365 days a year, might self-mutilate and would never have language. However, the other end of the spectrum—Asperger's syndrome—was known in other parts of the world but was not recognised here until much later, long after we started the statementing of children in schools and suchlike. It is not new in that sense, but it is relatively new in this country for us to have a greater understanding of the spectrum and the condition. That is why we are now recognising that there are more such people, although I remain to be convinced that there are more now than there were.

Mrs. Gillan *rose—*

Angela Browning: I have to let the last word go to my hon. Friend.

Mrs. Gillan: It is not the last word, and I hope that my hon. Friend is not speaking for the last time on autism in this House.

At a time when we are talking about billions of pounds going into banks for bail-outs, does my hon. Friend agree it is important for people outside this

[Mrs. Gillan]

House to understand the financial and economic scale of this problem? In November 2007, the Foundation for People with Learning Disabilities produced a report estimating that the aggregate cost of supporting people with autistic spectrum disorder was already at that time £27.5 billion per year in the UK. That is the scale and the order of the issue that we are discussing.

Angela Browning: Yes, and the Martin Knapp report that was published a little while ago considered the economics and the cost of this situation. I hope that the NAO report will address it as well, and that we will be better informed by that report. The interesting thing about the amount of money that is spent by social services is that when they provide nothing, or something that is inappropriate, at a lower level, they end up dealing with people in crisis later on, which costs them huge amounts of money. I worry about the associations local authorities make with autism—some of them, not all, as some of them are very good. Because they only ever hear about the crisis of autism, which means big bucks, they are terrified of the subject. As for low-levels of input, I mentioned something like a befriending service. Such a service would come low in the list of priorities in the assessments of most social services, but it could be a lifesaver for someone with Asperger's syndrome.

11.49 pm

Andrew Miller (Ellesmere Port and Neston) (Lab): I would like to start on the theme that the hon. Member for Tiverton and Honiton (Angela Browning) just touched on—the causes and prevalence of this condition—because it is an interesting area. Her instinct is probably correct. There has been no increase in the prevalence of the condition, but there has been undoubtedly an increase in its recognition and diagnosis. That is true of a lot of illnesses. There is a view that certain things happen more frequently today, but it is actually a question of science moving on, and we now have the capacity to diagnose certain illnesses.

I congratulate the hon. Member for Chesham and Amersham (Mrs. Gillan) on introducing the Bill, and I would like to touch on a couple of things that she and I have done in the past—before she slips out for a well-deserved cup of tea. She and I served on the Select Committee on Science and Technology during our first parliamentary Session, and one of the things we looked at was the development of human genetics. In our third report of the 1994-95 Session, we looked at a huge number of conditions that had by then been identified as having a possible genetic component. The order of incidence of most of these was one in 500, or one in 8,000—for example, one in 500 was diabetes type 1.

It is now recognised that autism may have a genetic component to it, but it is a condition with an incidence rate of approximately one in 100. Just a few years ago, a Select Committee, with all the expertise that it has at its disposal, did not bother to look at the matter because it had not come to our attention. It has crept up on this House rapidly in recent years, and it is only people such as the hon. Member for Tiverton and Honiton, with her personal experience, who have really understood what a terrible condition it is, and how prevalent it is. Whatever our disagreements about tactics today, we need to ensure that we use this debate to help to publicise and improve public understanding of this terrible condition. I congratulate the hon. Member for Chesham and Amersham on helping to make that happen.

Mrs. Gillan: The hon. Gentleman takes me back to those happy days when we were looking at the human genome project. We were concerned that identifying a genetic trait or a certain sequence identified with a disability might lead to people being discriminated against. We were concerned about protecting people and enabling them to have the best services that they could. Is this debate not just a continuance of those days back in 1992 and 1993? In this Bill, we are looking for the vehicle that will provide protection to people we can now clearly identify as having Asperger's, and also, importantly, to those yet to come.

Andrew Miller: I totally agree. I hope that this debate will help us to get the legislation right, in whatever form it emerges, and to improve public understanding to the degree that we start to influence the way in which other Departments that may not be directly affected by her proposals react when dealing with cases—for instance, those of the bright people to whom the hon. Member for Tiverton and Honiton referred—where people get into trouble with the system. One example of this is when they go to job interviews, a point which the hon. Member for Buckingham (John Bercow) raised in relation to apprentices. Those are hugely important matters.

As I said in an intervention, I strongly believe that we need to ensure that magistrates and judges fully understand their responsibilities when dealing with cases that come before them. That is terribly difficult, because when somebody has done something illegal, the natural position to take is that they must be punished. Surely, however, in a civilised society we ought to take into account people's mental state and their conditions. After all, nobody knows why the brain develops in the way that it does in the case of people with autism. Not having that knowledge does not give us a justification to lock people up and throw away the key, as society did at one stage. It gives us a responsibility, as a civilised society, to work on finding out the cause of autism. That is an extraordinarily challenging area of medical science, and we should seek to promote it. I hope that my hon. Friend the Minister will ensure that our science budget for that is properly protected and that the Ministry of Justice and the Department for Work and Pensions take autism issues into account.

Mr. Letwin: The hon. Gentleman has now been speaking for three or four minutes, and so far he has not mentioned the Bill or the process involved. Will he assure us that he will not occupy much more of the House's attention unless he intends to refer to the Bill, so that we do not find that he is trying to talk the Bill out?

Andrew Miller: I have to say that I think the right hon. Gentleman is being rather stupid. I am making a very serious point, and I hope that today's discussion can be conducted with the correct degree of seriousness. This is a very important matter affecting all our constituencies, and to trivialise it and seek to use Friday games is not the way to handle it.

Mr. Letwin *rose—*

Andrew Miller: No, I will not give way, because the right hon. Gentleman has annoyed me intensely. I am making a serious point based on my knowledge, and I have no intention of trivialising the debate.

I indicated in my exchange with the hon. Member for Tiverton and Honiton my experiencing of dealing with people working in high-end occupations who are very difficult to manage. I recall meeting a bright young man who was a leading researcher in a big IT company in California. I shall not mention the name of the company, because his name could be identified if I did. His leadership did not want the delegation that was visiting the company to meet him. When I asked why not, the response was deeply worrying. The company employed him and had respect for his abilities, but his leadership said to me, "You can't meet him because he's an animal." His behaviour was particularly odd, but his technical output was extraordinary. Even in that case, the company had not quite got it right. I see the grimace on the hon. Lady's face, and indeed that is not the way to treat such people. Yes, they should get such high-end jobs, but they need to be treated with dignity. All people with such conditions deserve that.

Autism is no longer attributed to how parents behave and so on, as it used to be: it is properly recognised. There is some interesting work on this on the websites of the NHS and the World Health Organisation. However, it has come to the fore only recently, because of the advance of medical science. The United Nations General Assembly recognised the condition only on 18 December 2007, as a result of a motion proposed by the state of Qatar, and it is among only three illnesses to have been given world awareness days. Those are hugely important changes. Similarly, developments are occurring locally.

Let me now refer precisely to the Bill. The problem is real because local authorities and Government agencies let down people on the autistic spectrum. I have already mentioned the courts, the Department for Work and Pensions and others that can do better. The Minister must ensure, by engaging with his colleagues, that other Departments buy into the policy. I agree that the statutory guidance issued under section 7 of the Local Authority Social Services Act 1970 works only if it is properly policed and followed through rigorously.

I want to ask my hon. Friend the Minister several specific questions. Will there be extra money next year to ensure that proper research can be undertaken into the prevalence of adult autism in particular? Will guidance issued to local authorities under the Bill or section 7 of the 1970 Act have statutory teeth? As the hon. Member for Tiverton and Honiton pointed out, it should not be a case of simply putting something on to the statute book—just having it there does not deliver. Policing legislation properly means resourcing it, and I expect the Minister to confirm that that will happen. Like my hon. Friend the Member for South Thanet (Dr. Ladyman), I am not worried about how things are tactically managed as long as the outcomes are correct. It is important to ascertain how statutory guidance to children's trusts develops. The hon. Member for Buckingham is nodding. As my hon. Friend said, the guidance that we expect to cover children's trusts will—by definition, I hope—cover a range of disorders, but we need to be assured today that that includes autism and the autistic spectrum.

What themes will the adult statutory guidance cover? Will it cover only the Department of Health, or will it be broader? The Welsh Assembly issue has already been raised in an intervention, so I shall skip that.

Perhaps the most important matter is transition. Many of us have experienced cases of local authorities, of all political persuasions, failing on transition. Some authorities, which deliver well on children's services, have no provision for proper transition. As my hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble) pointed out, they can fail even at the basic level of sharing information within departments. What will the guidance do about transition? Will it bring about the sort of change in regime that ensures that there is no longer a chasm between child and adult services?

Mrs. Humble: My hon. Friend and I agree that there needs to be communication between children's services departments and adult social care departments, but we need more than that. Children's services departments have developed appropriate services for many children with autism, but one of the problems facing adult social services departments is that the services are not there for them to purchase and offer to adults with autism, so another outcome that we want from the legislation is the building up of such provision.

Andrew Miller: I fully understand that and respect my hon. Friend's expertise. Transition is fraught with difficulties, which arise largely because local government, like central Government, has a silo structure. We have to avoid that. Support for an identified client of social services or educational services should travel with them, irrespective of their age or which part of the service deals with them. By focusing services on the individual client, we can ensure that bureaucratic obstacles do not get in the way.

Angela Watkinson: May I recommend to the hon. Gentleman the excellent ROSE project—realistic opportunities for supported employment—which is run by Havering college of further and higher education? The project does exactly what he is describing, by enabling students with autism and other conditions to enter supported employment. They move from education into the adult world and, over a period in which support is gradually withdrawn, become independent in the workplace.

Andrew Miller: I am not familiar with that project, but it sounds like the kind of thing that needs to be developed throughout the country. It also fits with the observation that the hon. Member for Buckingham made about the Government's apprenticeship programme. There could be a role for organisations in the third sector that can help that kind of transition to take place. That is quite an important area to consider.

Mention has been made of the cost. When my hon. Friend the Minister is arguing his corner and seeking resources for his Department in order to deliver the commitments that the House collectively expects him to deliver, irrespective of the vehicle, he needs to make it clear to the Treasury that, as has been said, doing nothing would impose some extraordinarily high costs on us all. Mention has been made of the book that Professor Knapp wrote, "The Economic Consequences of Autism". We need to make it statutory reading

[Andrew Miller]

among Treasury boffins, so that they fully understand why resources need to be directed towards my hon. Friend's Department to ensure that delivery occurs properly.

Mark Durkan: My hon. Friend is suggesting that when the Minister makes the case to the Treasury for those resources—resources that he says the whole House would want—he should make certain arguments. Is not the best way for the House to amplify the Minister's arguments to give the Bill its Second Reading and then test the issues further in Committee? That would allow the Minister to make a compelling case to the Treasury and others about the priority that the House attaches to the issue and its proper resourcing.

Andrew Miller: I totally agree with that. Clause 8, which refers to expenses, says:

"There shall be paid out of money provided by Parliament…any expenditure incurred under or by virtue of this Act,"

and so on. If the Bill were enforced properly, there could be a net saving to society, by removing the burdens that are placed not only on the criminal justice system but on a range of Departments.

My hon. Friend the Minister will have found, when he has tried to negotiate for clauses to go into a Bill, that there is always pressure from those in the Treasury who say, "We can't have that because of the cost." Here, there is prima facie evidence from the work of Professor Knapp to demonstrate that the enormous cost to society could be reduced if we managed our services better. So I am making a plea to the Minister not to be suckered into a discussion with the those in the Treasury about how much these measures will cost, and instead to convince them that the work of Professor Knapp and others adequately demonstrates why this would be a wise thing to do, financially.

John Bercow: The hon. Gentleman and I have worked together on a number of issues over the years, and I am listening to his contribution with respect. What is more, he and I are partners in the House of Commons tennis team, so he knows that I intend him no slight or discourtesy, but may I, in all conscience, appeal to the hon. Gentleman, whose credentials I do not doubt, to conclude his remarks soon, to give others a chance to contribute and the Minister an opportunity to respond to the points made by other hon. Members in their short speeches?

Andrew Miller: Actually, I am about to conclude my remarks, so the hon. Gentleman does not need to appeal to me, either as a tennis partner or as anything else. He is a very good tennis partner, as the Minister knows. There is cross-party co-operation in all sorts of areas, which sometimes surprises the public. I have even played tennis with the Leader of the Opposition—

Madam Deputy Speaker: Order. I think that we have heard enough about who partners whom in what game.

Andrew Miller: Yes, I—

Mr. Greg Knight (East Yorkshire) (Con) *rose*—

Andrew Miller: No, I am sorry. I will not give way. I can see that the right hon. Gentleman—the drummer in the band—is going to lead me astray, and I want to conclude now.

I have asked my hon. Friend the Minister a series of specific questions, which are key to determining whether either the Bill, in its current form or with amendments, or statutory guidance based on the Local Authority Social Services Act 1970, can deliver what the House expects him to deliver. I hope that he will take on board all the points that have been made by colleagues on both sides of the House, and ensure that the House takes a leading position—it would be a leading position, because not many countries have really taken on board the needs of people on the autistic spectrum—so that we can say that we have done this by working together and with the National Autistic Society in the interests of people on the spectrum and their parents and families, as well as of the whole of society.

12.13 pm

Anne Milton (Guildford) (Con): I congratulate my hon. Friend the Member for Tiverton and Honiton (Angela Browning), who has worked tirelessly throughout her time in Parliament to introduce measures to support children and adults with autism. Parliament, and Members of Parliament, attract a lot of criticism these days, but the work that she has done is a shining example of what still can be done by this place to improve the lives of others.

I also congratulate the National Autistic Society on all its work, and the many other charities that are involved in this area. The "I Exist" campaign is one of many that has contributed significantly to raising awareness and achieving some of the changes that are needed. Of course, I also congratulate my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan) on introducing the Bill. I know how hard she has worked, into the small hours, preparing for today and gathering the cross-party support that we have seen.

Autism is different, because there is no other condition of such complexity that affects so many, and about which so little is still known. We have heard many statistics today, but one of the most striking was the figure of 2 million. It referred to the 2 million people who are affected by autism, including the parents, the siblings, the carers and the families. No one who is unaffected can truly understand what these people's lives are like: the wide yawning gap they fall through between learning disability and mental health when autism is neither of these. For some parents caring for children with autism, there are no holidays and no time off—just 24-hour care every day of every week. This private Member's Bill provides an opportunity to make that better.

Shortly after I was elected, I met some parent carers locally who were looking after children with profound disabilities. They felt angry and let down and were utterly exhausted. With the help of Carers Support Guildford and Carers Support Waverley—I pay tribute to their work—we set up a group locally. Carers Support was fantastic; it had an open day last year and intends to repeat it. It provides an opportunity for parents to drop in and meet some of the local charities and statutory services, attend workshops and meet other parents. Not

all these parents have children with autism, but many do. Despite the best efforts of charitable and statutory services, many are isolated, lonely and struggling on their own.

The Bill would change all that. It would combat the lack of information about children and young people with autism. It would give local agencies obligations to include their needs when they plan their services. It would ensure that services around transition—a crucial area as children move towards adult-focused provision—are maintained seamlessly. For young people—and not just those with autism—this period is a trap door through which many fall, as hon. Members have mentioned today. The Bill would ensure that the needs of adults with autism were truly recognised. In a word, it would give people—children and adults—a chance for a good quality of life: the physical and mental well-being that most of us take for granted.

I would like to highlight a few important issues for the Minister. The section 7 agreements, much debated today, have not worked for people with Asperger's. The 2006 Department of Health guidance requires local authorities to nominate a strategic lead or team on autism, but only 39 per cent. have done so—in other words, more than half have failed to do so. The costs due to loss of income from employment and the direct costs to families are estimated at £27.5 billion, as my hon. Friend the Member for Chesham and Amersham mentioned.

Another statistic to pick up is that, because of the lack of support, a third of adults with autism suffer from severe mental health problems. My hon. Friend the Member for Tiverton and Honiton referred to the 8 per cent. who commit suicide. If we drill down into the repercussions, they are truly dreadful. People with autism not only lack support, but suffer from mental health problems—severe mental health problems—on top. We then need to turn our attention to the fact that people with mental health problems have significantly worse physical health. What this third of adults lacking support face is a spiral of deteriorating mental and physical health, dreadful misery, hardship, loneliness, poverty and isolation, sometimes ending in suicide.

I pay tribute to the hon. Member for Burton (Mrs. Dean) and the all-party parliamentary group. I hope that she will decide to support, not block, this Bill. She failed to explain in her interventions why she objects to the Bill going into Committee. The bottom line is that it will be on the record and easy to see who wanted the Government commitments examined with the Bill as a vehicle and who blocked the Bill and walked away from scrutiny of the Government.

The hon. Member for Mid-Dorset and North Poole (Annette Brooke) covered many points and the hon. Member for South Thanet (Dr. Ladyman) raised the interaction between people with autism and the police, pointing out that the Bill fell short in some ways. I think that my hon. Friend the Member for Chesham and Amersham accepts that, but this is precisely the point. The Committee stage would offer all of us the opportunity to work through the detail and add and subtract in order to get the very best possible services. A Committee stage could only add to services. It would take nothing away. There really is no downside.

Mr. Letwin: Will my hon. Friend briefly address, in the course of this powerful sequence, the Minister's claim in his letter that

"Legislation could make delivery of change more difficult"?

Is she aware of any respect in which this legislation could make delivery of change more difficult?

Anne Milton: That is an interesting point, which I had intended to discuss later. I can see no way in which proceeding with the Bill would make anything more difficult, and I hope the Minister will take account of that in his response.

The hon. Member for South Thanet said that he wanted cast-iron guarantees. The only way in which to secure such guarantees, and to secure the very best for people with autism, is to give the Bill a Committee stage. The hon. Member for Ellesmere Port and Neston (Andrew Miller) referred to the criminal justice system, and pointed out that section 7 orders were effective only if enforced. Along with the hon. Member for South Thanet, who asked for those cast-iron guarantees, I do not doubt the Minister's commitment. It is not that I do not trust him or what he says; I just feel that unless the Bill goes into Committee we will not maintain the impetus or secure the legislation that is needed, because section 7 orders simply are not good enough.

The details of the Government's proposals need to be examined properly. As we have heard today, debate on them is crucial, and can only enhance the services that are eventually provided. We need an opportunity to go over every detail of the proposals, and to flesh out precisely what they will mean for a child or other person with autism.

In his letter to all Members, the Minister said that he would launch a consultation on a strategy on services to support adults with autism, that it would have bite, and that he wanted outcomes to be delivered. He said that the strategy would include statutory guidance, which would, however, be subject to consultation and assessment of benefits. I note that slight qualification. Let me say this to the Minister: do not hold back. Join the cross-party consensus on the Bill, and let it go into Committee so that it can be examined in detail. I am not sure that any statutory guidance will work, and I hope that today's debate has raised doubts in the Minister's mind as well.

The Government have nothing to fear if they have nothing to hide. They should welcome the opportunity that the Bill gives them. If they do not support the Bill, we have to ask why. What exactly is worrying them? Why do they not welcome the opportunity to put their proposals on record and showcase them in the open in Committee? My fear is that they are allowing politics to get in their way and are playing a rather shoddy political game because they cannot bear the fact that the Bill has been introduced from the Conservative Benches. That would be a terrible shame, because I see no reason at all for them to block it. My hon. Friend the Member for Chesham and Amersham—backed up by some generous observations from the hon. Member for Somerton and Frome (Mr. Heath)—has gone to great lengths to demonstrate that this is a cross-party issue. It is not about politics; it is about people with autism.

I ask the Minister to put aside his politics. I ask him not to block the Bill and sell people with autism short, but to put his shoulder to the wheel, welcome the Bill

[Anne Milton]

into Committee, and do what is right for the people with autism whom it aims to serve. I ask him not to make this into a fight, but to use his energies to join us all—including his Labour colleagues—so that we can make a real difference.

12.24 pm

Liz Blackman (Erewash) (Lab): I have huge regard for the hon. Member for Buckingham (John Bercow), and I promise him that I will not speak for very long.

I congratulate the hon. Member for Chesham and Amersham (Mrs. Gillan) on choosing the Bill, running with it, and putting a real Government focus on all the issues that it raises. I also hugely congratulate the hon. Member for Tiverton and Honiton (Angela Browning). I suspect that, before I came to the House, she was a lone voice on autism. We have made significant progress over the past few years, however, and she has particularly flagged up the issue of people on the autistic spectrum who happen to be adults. That is what I also wish to focus on. There are two reasons why. First, I am a Parliamentary Private Secretary in the Department for Children, Schools and Families, so I cannot stray too far—I am merely moonlighting from the Minister today. Secondly, I recognise that there is a long way to go in respect of adults with autism, as I stated when I had the honour to second the Loyal Address.

It is worth putting on the record that there has been progress and that the agenda has moved forward, especially since the setting up of the all-party group in 2000 by my hon. Friend the Member for South Thanet (Dr. Ladyman), who has spoken in this debate and to whom I pay tribute. From the outset, the group has received invaluable support from the National Autistic Society. Rightly, every Member who has spoken has paid tribute to it, and I do, too; its skills, knowledge, encouragement and utter professionalism are second to none.

One of the first steps the group took was to survey Members. I recall the feedback from that, and it was quite shocking. A significant number of Members in the year 2000 had not even heard of the word "autism", and quite a few of those who had heard of it had no idea what it was. I recall that a Member—who is still a Member, and actively campaigns on a range of disabilities—asked me at one of the first meetings: "Can it be cured?" We were on—and we remain on—a learning curve. Although autistic spectrum disorder has been known about for some time, it has only come under the spotlight, and therefore been a little more understood, relatively recently.

Another early move by the group was the launch of its 10-year manifesto in 2003. We were operating then from a pretty low base, but the 2008 "Half way there?" mid-term review makes it clear that there has been progress, although much more in terms of services for children with autism than in terms of adults. There have been one or two green shoots in that regard, however. For me, the most welcome announcement came last year when the Department of Health announced an adult autism strategy and the creation of a senior autism advisory post within the Department to keep the focus constant. I pay tribute to the Under-Secretary of State for International Development, my hon. Friend the Member for Bury, South (Mr. Lewis), who was a Minister in the Department of Health at that time and who fought very hard to get that full-time expertise.

We have heard this morning some shocking statistics on adults with autism, such as that 63 per cent. say their needs are not met and only 15 per cent. are in full-time work, out of an estimated population of 300,000. We all know from having met people on the spectrum in our surgeries and communities—and, indeed, in our families—of the entire further dimension of the thousands of adults out there in the country who are in their 20s, 30s, 40s, 50s, 60s and way beyond who have never been diagnosed.

I welcome the strategy—and particularly the announcements alongside it from my hon. Friend the Minister, and the proposed process to achieve those outcomes that will make a difference—and so does the NAS. The strategy sits alongside other announcements that feed into the process. I know this has been mentioned several times, and that the Minister will cover it when he winds up the debate, but I want to say that the prevalence study must go ahead as we have to get a grip of the quantity issue.

Publishing the good practice commissioning guidance in April is also a very good step. However, a note should go with it to every authority and NHS body saying that a strategy with teeth—however it arrives—is coming down the track, and that this guidance should not just be stuck on a shelf; people should actively get on with it. The National Audit Office study on the extent of existing services and how they meet the needs of adults regarding health, social care, employment and carers is timely in the context of this process.

The scope of the strategy itself has to be broad enough to deliver the service—which is currently not being delivered in a comprehensive way—that we want to see. I want my hon. Friend the Minister to assure me on this issue and to be guided by those whom he asked to define the boundaries. The question of scope is extremely important; it can be narrowed but it cannot be widened, so let us have everything of concern in that remit as we go forward.

Nobody has said very much today about the process that the Government intend. When I spoke to the Minister privately on seeing this debate coming up, I was particularly interested in the question of who was going to be guiding the process. The external reference group is incredibly impressive. It consists of the chief executive of the NAS, Mark Lever; parents; people with autism; local authorities; mental health services; the voluntary sector and academics. The group needs to be as wide as that because we have to have that expertise in this process. Autism is a hidden disability and the issue is as much about culture as it is about practice and making practice work.

Reference has been made to Jobcentre Plus. The steering group is intergovernmental and will include the Departments of Health, for Children, Schools and Families, and for Work and Pensions—the latter will cover Jobcentre Plus—and, again, Mark Lever. The range of consultees needs to be extremely wide, and there must be a place for Members of this House in the group. It is crucial that they are part of the consultation.

We have identified some of the issues on which improvement is really needed. Data collection is crucial. There is the question of people falling into the gap—of

52 per cent. of people with particularly high-functioning autism being told by mental health and learning disability teams that they do not fit the bill. That is shocking.

Martin Linton (Battersea) (Lab): Does my hon. Friend agree that it is important that local authorities be encouraged to collect information not only on the number of adults with autism, but on their actual needs?

Liz Blackman: Absolutely, and that brings me nicely on to training.

Training is also a central part of the approach. However much we manage to improve services for adults with autism, training is absolutely key and must be delivered—both initially and ongoing—in professional development. We are talking about GPs, psychologists, psychiatrists, social care workers, mental health services, Jobcentre Plus—I could go on but I am not going to as I am mindful of the time. Part of the issue is the huge cohort of people who remain undiagnosed and who need to get support within the system.

The implementation of whatever measures are decided on is crucial. We can have a Bill, translated into an Act, and we can have regulations. We can have clause 7 and statutory guidance but both can be flouted simply because of ignorance, or because of lack of understanding and leadership in the organisations that we want to push this agenda forward in order to improve services for adults with autism. I wait with bated breath to hear what the Minister has to say, but I think that the outcome of the process could be more wide-ranging and robust than could be achieved by going into Committee at this point. However, I shall listen carefully to what the Minister has to say.

The strategy needs to be carefully thought through and it needs time to do its work. It also needs to be brought out within a reasonable amount of time and to be given teeth. It needs to be resourced, ambitious and long term.

12.35 pm

Mr. Oliver Letwin (West Dorset) (Con): I want to make an extremely brief speech. The debate today has not actually been about the Autism Bill, and I have not yet heard anybody who suggests that it is anything other than a very good idea. The subject of the debate has been about whether the Bill is necessary, about the Minister's claim in his letter, to which I referred in an earlier intervention, that

"Legislation could make delivery of change more difficult",

and about whether the Minister has a better method of doing it through statutory guidance. His claim is that there will be statutory guidance, that there will be money behind it, as detailed in his letter, and that it will be a more effective method.

First, there is no evidence that such a method will be more effective. My hon. Friend the Member for Tiverton and Honiton (Angela Browning), who has a long record of interest in these matters, is extremely clear, as I have been from my constituency activities, that the existing statutory guidance often produces no effect. Why not? Many of those on the ground do not know that it exists. My hon. Friend pointed out that if it is invoked in court, it is effective, but the problem is that the Department conspires through inaction to allow it [illegible] to be known by many of those on the ground. T[illegible] probably also be true of further statutory guida[illegible]

Secondly, and more importantly, there will probably never be any statutory guidance or, if there is, it will probably take a very long time. Why do I say that? I accept that I am being slightly more rebarbative than some of my colleagues, who have been very generous to the Minister, but I have some personal experience of this in the recent past. I spent some hundreds of hours on the Sustainable Communities Act 2007 and we negotiated extensively with a parallel and equally admirable and well-intentioned junior Minister. The officials in the Department were extremely resistant to the Act and a series of documented assurances were reported in *Hansard*, each of which has been falsified. In particular, an assurance was given that a detailed spending assessment would be produced for all the money spent by central Government in every locality in Britain. That has not been produced. Not only has it not been produced, but a total travesty of that assurance has been produced. Are the Government embarrassed? Not in the least. Where is the junior Minister? Somewhere else. What is the Secretary of State saying? Nothing. She will not attend meetings or answer questions.

To quote an earlier intervention during a speech by a Labour Member, "cast-iron" guarantees were given but they have been falsified in practice. Does that and can that apply to the present case? Certainly it can. We have the evidence of the prevalence studies, which have not happened. No mention of them is made in the Minister's letter. There is no explanation of why the prevalence studies have not happened.

The fact is that the junior Minister does not have the capacity to deliver, the Department shows no sign of the will to deliver and—this is my main point—however well-intentioned the Minister, the Secretary of State and the Secretary of State for Children, Schools and Families are, the Government have all sorts of other priorities. I do not blame them for that. We are in the midst of an enormous national crisis.

Only one person matters in this Government. It is usually the case that the one person who most matters in a Government is the Prime Minister, but in this Government only one person matters and that is the Prime Minister. We have had neither sight nor sound of the Prime Minister's being involved in this matter, and I would not expect that, because he is concerned with a major national crisis. The idea that the junior Minister can stand at the Dispatch Box and guarantee to the House that provisions including the expenditure of significant sums of money, legislative time and his Department will be delivered is plainly ludicrous. We do not know whether they can be delivered and the Minister does not know whether they can be delivered.

I now come to my fourth and final point. The truth is that if the Government as a whole were genuinely signed up to delivering what the Minister says that he wants to deliver, they would allow the Bill not only to go into Committee, but to come out of Committee and to become an Act. All it does is seek to deliver the same things as the Minister says that he wants by other means to deliver. Nothing about the Bill would prevent the Minister from issuing statutory or other guidance if he wished to do so once the Bill was an Act. The only basis that the Minister has for trying to prevent the Bill from becoming an Act is the statement in his letter that

"Legislation could make delivery of change more difficult".

[Mr. Oliver Letwin]

I have yet to understand on what basis such an assertion could be made. As my hon. Friend the Member for Guildford (Anne Milton) said during her excellent speech, there is no evidence that legislation will make the delivery of change more difficult. Indeed, there is every reason to suppose that legislation will make the delivery of change easier. Why? Because there will be better understanding on the ground of what is required; the Government will be subject to a stronger requirement to enforce what is required; and, in the final analysis, it will be easier for people to take cases to lawyers and the courts, because what is required will be clear in primary statute.

The facts are that the Minister has no argument, no effective jurisdiction and no guarantee, he cannot offer the House a guarantee and he has no logic to back him up, other than the logic of trying to make sure that the Government are not constrained to do the things they say they want to do. There is therefore no reason for the House to believe that they will do those things better without the legislation than they will with it. I hope that my Conservative colleagues and others in all parts of the House who share our ambitions will support the Bill, which my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan) has rightly introduced.

12.41 pm

Mrs. Jean Humble (Blackpool, North and Fleetwood) (Lab): Like many others, I begin by congratulating the hon. Member for Chesham and Amersham (Mrs. Gillan) on choosing this important subject for her private Member's Bill. I also congratulate my hon. Friend the Member for Burton (Mrs. Dean), the chairman of the all-party group on autism, and its previous chairmen, my hon. Friends the Members for South Thanet (Dr. Ladyman) and for Erewash (Liz Blackman), both of whom have contributed to the debate.

The all-party group, of which I, too, am a member, has done an amazing amount of work in recent years, especially in producing the autism manifesto and now in continuing to press the Government to make the improvements that the group has identified, with the support of the National Autistic Society. The NAS has played a key role in raising awareness of autism and of the need to proceed with that agenda.

I also congratulate the Minister and his colleagues on the many initiatives introduced in recent years and especially his new announcements in response to the Bill. As Mark Lever, chief executive of the NAS, says in his letter, the measures set out by Ministers cover all aspects of the Autism Bill. So why are we still here debating the Bill? We are debating it—I say to the right hon. Member for West Dorset (Mr. Letwin) that I intend to discuss the Bill—because we are determined to get it right this time. That is why we making our comments in this debate and why we are seeking reassurances from the Minister.

We know from our constituency experience the difficulties encountered by many families who have children with autism, especially if those children are adults, in accessing appropriate services. I know it also as a result of the work that I did with my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) on the parliamentary hearings on the review of services for children with disabilities. Children with autism and their parents came to us and explained the problems they had encountered at a series of levels, from getting the initial diagnosis through getting the health care and support they needed and then getting appropriate education provision. Above all, they described the real problems with the transition from children's services to adult services. We need to get this right, because, as other speakers have said, although there are examples of good practice, gaps in provision remain and we have to fill them.

Mrs. Gillan: I thank the hon. Lady for her kind words. Unfortunately, the Minister has just left the Chamber, but does she agree with me that it is about time that we heard from him, so that he can put the promises on the record and subsequent speakers can challenge what he says? The Minister has said that we can put the debate to bed and not send the Bill to Committee, so is it not about time that we heard him give those guarantees in this Chamber, so that the remaining speakers can start to undertake the scrutiny that I want to take place in Committee?

Mrs. Humble: Much as I admire and respect the hon. Lady for introducing the Bill, I think that I might annoy some of her colleagues and mine if I suggested cutting short the debate. She has all-party support, and everybody in the Chamber feels as passionately as she does on the subject of the Bill. As one of its sponsors, I want to ask some questions, and I hope that somebody is making notes or will at the very least tell the Minister what my questions are when he comes back into the Chamber, because I want some answers, too.

Mrs. Gillan: The hon. Lady is absolutely right that we would not want to prevent any colleagues from making a contribution, but the fact is that the Minister could make his contribution now, and then the debate could continue, because we have until 2.30 pm. That would not insult colleagues on either side of the House; subsequent speakers would like to have the chance to question the Minister on the subject. The hon. Lady and I should press the Minister to speak in this debate as soon as he possibly can.

Mrs. Humble: I am sure that many colleagues on both sides of the Chamber want to make points that the Minister could then address—

Mr. Dismore *rose—*

Mrs. Humble: They include, I think, my hon. Friend, to whom I am about to give way.

Mr. Dismore: I am grateful to my hon. Friend. There is an hour and three quarters left for debate today, so there is plenty of time for all Members who wish to speak to do so, and for the Minister to respond to all the questions asked. If the Minister were to speak now, it would mean that those who spoke afterwards would not get answers to their questions. If the hon. Member for Chesham and Amersham (Mrs. Gillan) plans to move a closure motion, as I suspect she does, I hope that she does not do so prematurely, and that those of us who wish to speak have the opportunity to do so.

Mrs. Humble: That comment is for the hon. Member for Chesham and Amersham (Mrs. Gillan), rather than for me.

Mr. Deputy Speaker (Sir Michael Lord): Order. Perhaps I can be helpful. It might be sensible if, rather than getting into the mechanics of the debate, we carried on discussing the Bill.

Mrs. Humble: As always, I am grateful for your advice, Mr. Deputy Speaker. I intend to address the purpose of the Bill. There are three main areas: information gathering, the delivery of services to people with autism, and the transition to adult services. The Government have already addressed many of those issues, but clearly there is still some way to go. We do not have a national register of people with autism, and even if one were set up, it would be extremely difficult to maintain. As hon. Members have said, some people, especially some people with Asperger's syndrome, are never diagnosed, and so are never included in any information. However, we ought to make the effort.

Some effort has been made; a variety of organisations have attempted to get statistics through epidemiological studies or surveys. More efforts are now made by local authorities to try to collate information via schools. However, we need to do more, so I welcome the Minister's announcement—I am pleased to see that he is back in the Chamber—that he will address those issues, and I welcome the Department of Health's £300,000 investment in the prevalence study, which will give us some sound information. The information is wanted not just to satisfy the needs of statisticians, but to enable us to develop appropriate services to meet the needs of people with autism.

The excellent House of Commons research paper on the subject gives an account of the range of existing statutory support for people with autism. There are few references in legislation to the needs of people with autism, but through guidance, the Government have made sure that legislation applies to people with autism, or people with autism spectrum disorders. I note that there is guidance on how direct payments and individualised budgets for people with an ASD can be used. That will be an interesting way forward, because if people on the autism spectrum—or their carers or family, in certain circumstances—are given control of budgets, they will have a say in the sort of services that they want. If a theme has run through the debate, it has been the paucity of services for adults. If, through individual budgets, new services can be developed, it will certainly help to plug the gaps that we have all identified.

As has been mentioned, standard 8 of the national service framework for children also has an autism spectrum disorders exemplar, which illustrates how children with an ASD are to be covered by the NSF. The Department of Health has made special reference to children with autism in its document "Healthy lives, brighter futures: The strategy for children's and young people's health". The document was accompanied by a practice guidance note for local authorities. In spite of that, however, there are still gaps in service.

The hon. Member for Mid-Dorset and North Poole (Annette Brooke) said that she wanted a named person to offer advice to families, and she knows that I have campaigned long and hard for a key worker system for children with disabilities. The guidance note that I mentioned referred to the need to

> "Ensure each young person and their family/carers are supported by a single 'trusted adult' contact who will liaise with services, support, the young person and their family/carers."

I am not sure about who the trusted adult is supposed to be, but the guidance note makes specific reference to the issue that the hon. Lady has raised and I have campaigned for.

Towards the end of my contribution, I shall speak about examples of good practice in my constituency, but I say now that not all areas have that key worker—that trusted person. Yet such provision is so important to families with autistic children.

Mrs. Sharon Hodgson (Gateshead, East and Washington, West) (Lab): I am listening with great interest to my hon. Friend's comments. I am sure that other hon. Members would find them equally interesting if only they were listening. This is a serious debate, but the House seems to be getting rather restless and Members may not be paying the attention that they should to this serious issue, especially given that somebody is speaking about it in such detail.

Mrs. Humble: I thank my hon. Friend for her comments and I shall continue to draw attention to the importance of the Bill, even if some people are no longer interested in it.

I welcome the Department of Health announcement in May last year of the £200,000 for research into the process of transition for autistic young people. That research focused on young people's experiences, including their mental health needs, social care and housing needs, further education needs, opportunities for leisure and access to transport, and the ease of their access to services.

I ask the Minister also to consider the impact of different funding arrangements on the choices that local authorities sometimes make about the provision of services for people with autism. I ask because I know of some problems for young people who are in specialist residential provision. They usually stay in such provision until they are 19. However, given the split between children's and adults' services, they are sometimes asked to leave the specialist provision, in which they have often done well, when they reach 18. Their situation is then taken over by adult services, which do not include similar specialist provision for them. We need to look at who pays for the continuation of service during that transition stage. We must make sure that if the young person still needs education once the budget of the children's department has been used to deliver education until 18, the adult services budget is allowed to deliver that education so that there is continuity during the run-in to adult services.

There is also an issue of placement in adult services. If an adult with autism is placed in their own tenancy, supported by care workers, they will have access to housing benefit and a series of welfare benefits that reduce the cost to the local authority. If they are placed in a specialist residential provision, they do not have similar access to the range of benefits. I hope that the needs of the individual will come first, not money. Will the Minister consider that point? Transition arrangements can be very difficult. Sadly, all too often adults with autism are expected to fit into existing provision, but they cannot do that. They may have the external characteristics of many people with learning disabilities or mental health problems, but autism is different, and so the response has to be different. That is why we need to ensure that there is more specific provision for people

[Mrs. Humble]

with autism. I recognise that some individuals, whether children or adults, can fit into a more mainstream provision; indeed, many can go to work. However, those at the more severe end of the spectrum need their particular needs to be properly addressed. That is why local strategic planning is essential. There are incentives in the Government's document, "Aiming High for Disabled Children"; we have to aim high for children with autism.

I would welcome comments from the Minister on the commissioning guidance that he is due to publish in April. We need to ensure that we achieve the outcomes of the Bill through new regulations, which will state that local authorities and their partners have to have regard to the population of disabled children, including children with autism, when drawing up their children and young people's plan. What will that mean in practice? For adults as well as children, the commissioning guidance will be vital in ensuring that the outcomes that we all want are put into practice.

Let me say a few words about good practice. The hon. Member for Ribble Valley (Mr. Evans) referred to a school in his constituency, Hillside school, which serves children from Lancashire and elsewhere. I visited that school, many years ago now, and I know what good work it does. Lancashire county council has a whole series of initiatives, including an under-fives autism programme, the Stone Hey unit attached to Broadfield special school, support for parents through an early bird programme, and a Portage scheme, which can help families with children with autism. I also see good practice in Blackpool, which has a long-standing complex disabilities team who now liaise much more closely with the child and adolescent mental health services. The team has four members, who are trained in an autism diagnostic schedule. They train teachers and help parents. They work closely in the community in a multi-disciplinary way, including joint working with Connexions and the adult health services in Blackpool to provide a youth service for children with ASDs. They have a youth club for young people with Asperger's syndrome.

Things are happening; the trouble is that they are not happening everywhere. I support the Bill, because we are all on the same side in wanting to improve services. I look forward to the Minister's comments and the reassurances that he can give us on the way forward. We are all, I hope, practical politicians, and we want to put in practice the things that we have been debating. I look forward to the advice that he can give us on how best to proceed.

1 pm

John Bercow (Buckingham) (Con): I start by congratulating my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan) on introducing the Bill, and on the way in which she spoke this morning—eloquently, sincerely, knowledgeably, movingly and with the legendary courtesy for which I think I can safely say she is renowned in all parts of the House. I would like to echo, too, the tribute that she and others have rightly paid to the National Autistic Society, TreeHouse and the miscellany of other organisations—13, I think—that form part of the coalition to drive forward the Bill.

My right hon. Friend the Member for West Dorset (Mr. Letwin), in his incisive fashion, made a completely unanswerable case for the Bill to go into Committee. For the avoidance of doubt, I say to the Minister of State with responsibility for health and social care, whose integrity and commitment he knows I do not doubt for a moment, that the reason we need these measures in legislative form is simply stated. We are talking about a minority of people. They are an important minority and an increasingly articulately represented minority, but a minority nevertheless. Unless there is statutory provision for their entitlements, the danger is that, inadvertently if not calculatedly, because of all the other priorities of local, national, statutory and voluntary agencies, the interests and needs of the autistic child, young person or adult will tend overwhelmingly to be either relegated or ignored. That is why, in the absence of a critical mass of such people to trigger change on a regular basis, we need to take the opportunity to proceed with the Bill and to extract a series of legislative commitments. That is the statutory fail-safe that the autistic community seeks and is entitled to receive.

I want to be brief, and specifically to pose a series of questions to the Minister, with whom I have engaged over a long period on issues of this kind, and in whose answers I am profoundly interested. First, the Minister has said that the Government will commit £200,000 from the transition support programme to the funding of research into transition from childhood to adult services for people on the autistic spectrum. Will the Minister today guarantee in terms that that £200,000 will be explicitly ring-fenced for that purpose and that purpose alone? Would he be good enough to tell me and the House when the money will be made available, through whom it will be channelled, and what assessment of the nature, extent and results of the work will be made?

Secondly, the issue of training has rightly been addressed by the Minister and his hon. Friend the Under-Secretary of State for Children, Schools and Families. He will know that in practice it has often been difficult to get explicit commitments on particular training programmes. Will the Minister guarantee to meet the professional bodies to advise on how, in practice, the training commitment can be taken forward, and will he bear in mind that there is a difference between saying that there are opportunities for, and an availability of, training on the one hand, and saying that in practice the children's work force, the health service work force and the other individuals who are relevant to delivering better services will attend training courses with the back-up funding of staff required to translate the aspiration for training into the reality we seek?

Thirdly, the draft strategy in April and the intended final autism strategy in December are an ambitious project. I do not sniff at it, but it is an ambitious project with a tight time scale. Can the Minister assure the House today that the time scale is not such as to inhibit the strategy, or to put it another way, can he confirm that the strategy will be absolutely comprehensive, so that we do not go full circle on the issue?

Fourthly, I ask the Minister in all courtesy to make one other commitment that would offer some reassurance. Will he undertake in his contribution to answer every point that has been made by a right hon. or hon. Member today, and in so far as time prevents him doing so, would he be good enough to undertake to write to Members whose questions or challenges he did not answer, and to place a copy of what I am sure will be an illuminating and comprehensive reply in the Library?

I conclude by saying that there are two reasons why we have to address these issues, rather in the superb manner that my hon. Friend the Member for Chesham and Amersham did, and do so in legislation. First, it says something important about the political DNA of our society if we are prepared to commit to a vulnerable section of the population whose needs and interests have for too long, under successive Governments, been inadequately recognised. Secondly, it is not just a matter of being nice, decent and compassionate. It is also a matter of the authentic self-interest of UK plc. If we can address the problems, deficits, weaknesses and denials of opportunity from which people on the autism spectrum suffer, we will be playing into many other agendas as well. Tackling those issues is relevant to the fight against antisocial behaviour and the challenge of improving mental health. It is important to the objective of securing better educational outcomes and bolstering the qualifications, training and expertise of the work force. It is profoundly relevant to the future prosperity of UK plc in an age in which a job for life is a relic of the past and the premium placed on knowledge, skills, practicality and the ability to communicate and engage is greater than ever before. I look forward with interest and respect to what I am sure will be a comprehensive response from the Minister.

1.6 pm

Mrs. Sharon Hodgson (Gateshead, East and Washington, West) (Lab): I am very pleased to follow the hon. Member for Buckingham (John Bercow), although his speech was rather shorter than I would have liked. I enjoy his speeches, but I totally understand why he kept his remarks short. I do not intend to speak at great length, but I am a sponsor of the Bill, and anybody who knows me will know that I take a great interest in special educational needs and disability. I have therefore prepared a thorough contribution, and I will resent any accusations that I am playing Friday games, which I am certainly not.

I am delighted to be able to speak in the debate, and I offer my warmest congratulations to the hon. Member for Chesham and Amersham (Mrs. Gillan) on her success in the ballot and, more importantly, on her excellent choice of topic for her private Member's Bill. I was lucky enough to find myself drawn second in the ballot last year, and I know not only how instantaneously popular a Member who is successful in the ballot becomes but the deluge of work that accompanies the privilege.

The hon. Lady might agree that choosing a Bill is difficult. I see it as a choice between plaudits and pragmatism, although that is not to say that the two are mutually exclusive. She has shown great skill and endeavour in achieving what I believe to be an excellent package of measures to support those in our society with autism, and I congratulate her on doing so. Incidentally, I watched her on "Question Time" last night, and I thought that she looked remarkably perky this morning considering the busy schedule that she has had this week. I commend her for her warm and moving comments on that programme about Jade Goody, with which I concur entirely.

When given the opportunity to introduce a private Member's Bill, it is easy to shoot for the stars, but success is often found when our feet remain a bit closer to the ground. We all come into politics to try to make a difference, and the consequences of the hon. Lady's work will have a positive impact on thousands of lives and families up and down the country in the years to come.

The case for more action on autism is clear-cut and compelling. It is a condition that affects how people relate to the world around them, as numerous Members have said. People with autism can find it difficult to empathise and communicate with others. Communication, interaction and imagination can all be difficult. It can also have other behavioural consequences such as a love of routines as well as learning disabilities. It is understandable that society is lagging behind in fully supporting and including those with autism, given that they often find it difficult to express for themselves the steps that would improve their quality of life and access to wider opportunities.

Public understanding has been stinted because autism exists on a spectrum and is manifested in varying degrees. Today marks acknowledgement of the lack of information about autism and the lack of awareness by schools, the Government and members of the public. No studies have been carried out on adults to ascertain the prevalence of autism. The only existing estimates are worked out from the 2001 census. As part of the National Autistic Society's "I Exist" campaign, I contacted my local authorities to find out how many adults with autism lived in each of them. One did not hold such information and the other could tell me only how many attended a specialist day centre—fewer than 20, if I remember correctly. That is obviously not representative of the 1 per cent. of society that we understand to be autistic.

We should not—thanks to today's debate, we cannot—downplay the wider impact of autism. Approximately 500,000 people are estimated to have autism and around 2.3 million people are affected by it. They include family members and professionals, who are involved in the care of people with autism. Yet a deficiency remains in the information that the powers that be hold about the prevalence of autism among adults and children and its effects on them.

When I was researching my private Member's Bill, the autism charity, TreeHouse, researched a series of parliamentary questions from the past 10 years. The results show that 551 questions were asked about autism, relating mostly to health and education. The questions reflect the consensus about the great need for diagnosis, research, treatment and data collection. The report recommends that the Government consider collecting information centrally to gain an understanding of local authorities' needs. Although the report was originally published to support the aims of my private Member's Bill—now the Special Educational Needs (Information) Act 2008—it is clear from the National Autistic Society's "I Exist" campaign that concerns remain about the quality and quantity of the data that are available and their use to benefit those on the autistic spectrum.

Lack of information has been highlighted through a difficulty in diagnosis in schools. Forty per cent. of all children with autism wait more than three years for a clear diagnosis. Boys are four times more likely to develop autism than girls. The condition can also lead to behavioural difficulties, and 25 per cent. of children with an autistic spectrum disorder have been excluded from school at least once.

[Mrs. Sharon Hodgson]

More than 40 per cent. of children with autism have been bullied at school. According to an Office for National Statistics 2005 study, 42 per cent. of children with autism have no friends, compared with only 1 per cent. of other children. Recognition of those saddening and shocking statistics has already led to action by the Department for Children, Schools and Families.

In May 2008, the Department published guidance on how to prevent and tackle the bullying of children with special educational needs and disabilities. The National Autistic Society was consulted about developing the guidance, and one of the case studies focuses on an autistic pupil being provoked by bullies and how a school successfully responded to that.

The Department funds the Anti-Bullying Alliance and the national strategies to work with local authorities and schools to ensure that the guidance is effectively implemented. It is also producing a DVD to be launched in 2009 for use in schools to show why pupils should not bully disabled peers. I know that the Department is already working with the National Autistic Society, Mencap and other disability groups to examine the characteristics of young people who are bullied, and it will publish a report in the autumn.

The existing statistics also reveal an urgent need to focus on training staff in our schools to identify children with autism accurately. I was pleased to secure a commitment from Ministers to undertake a review of the effectiveness of the inclusion development programme in upskilling teachers to support the needs of SEN pupils. The university of Warwick will independently evaluate the use of the IDP materials, reporting in 2011, with interim reports in the meantime, and I welcome that action from the Government, which shows a commitment to finding out what is working and what is not.

In addition, in June 2008, the Training and Development Agency launched a comprehensive training resource for providers of undergraduate primary initial teacher training. It included 18 taught sessions, including one specifically focused on recognising and supporting children with autism. This summer, the TDA will launch a resource for secondary initial teacher training, which will include a taught session on autism and self-study tasks for primary and secondary postgraduate certificate in education courses covering the same ground. A similar approach will be taken in materials for newly qualified teachers, which are due out next January. Work is under way, therefore, but we all agree that it is not enough.

A lack of public knowledge about autism has led to a general misunderstanding of the condition, which has often been left aside. Parents and people with autism are frequently confronted with a lack of understanding of autism. Improved data collection would lead to a better understanding among organisations, educational services and local authorities. Such information would enable a stronger evidence base for long-term planning and help to allay concerns that the existing approach is too short-sighted.

We are all aware of the patchwork quilt of provision that affects services. There is no guarantee that a child with autism in one area will get the same quality of service as a child with autism 10 miles down the road. Better information can help to ensure an even geographical spread of services. Parents giving feedback to TreeHouse shared fears that children with autism would fall through the net because of a lack of co-ordination among services, the inadequacy of transitional arrangements between children's and adult autism services, and a lack of education and employment opportunities. That is why there is a clear case to be made for local authorities and patient care trusts to work together to secure the best interests of children.

The Autism Education Trust was launched in November 2007 with funding from the Department for Children, Schools and Families. Its role is to raise awareness of the importance of appropriate educational provision for children with autism, to bring organisations in the autism education sector together and to include children and young people, together with their families, in the planning of improvements in autism education. That fantastic remit is capable of delivering fantastic results. The Autism Education Trust held its first national conference yesterday, which I understand was well received, and it will have my full support in the years ahead.

Although education dominates much of the discussion about how to support those with autism and improve their life chances, there are people of all ages on the autistic spectrum. Finding employment is often difficult. It is estimated that there are about 332,600 people of working age in the UK with an autism spectrum disorder. Of that number, just under half are of average or above average intelligence. Despite that, research by the National Autistic Society has shown that only 6 per cent. of all people with an ASD have full-time paid employment and that only 12 per cent. of those with high functioning autism or Asperger's syndrome have full-time jobs.

The problems with social interaction can prove a barrier to people searching for a job. The National Autistic Society suggests that the best way to recruit is not always by through an interview, but through a work trial. Not enough is known about the help that is available to employers who take on a person with a disability. The DWP access-to-work programme aims to meet the additional employment costs arising from disability, and there are other schemes out there to help. However, we need to let potential employers know about it. We also have to burst the myths about autism to secure fairer access to the workplace.

There are many myths about autism. One quarter of people think that it is mostly children who are affected, yet we know that in an average constituency, around 3,000 people will have autism. Many people think that autism sufferers have special abilities in English or maths, but this is normally untrue. Only two in five people know that there is no cure for autism.

As I mentioned earlier, last year the National Autistic Society launched the "I Exist" campaign, which highlighted the lack of information available for adults and the misconceptions about autism, which can lead to poor treatment in society. The aim of the campaign was to make people think differently about autism. It involved adverts, campaigning and sending information to local and national Government. But how long will it take for people to begin to think differently about people with autism.

Given the low numbers of adults with autism in employment, TreeHouse estimates that the annual cost of autism to the UK is £27.5 billion, as the hon. Member for Chesham and Amersham, who is not in her

place now, said. It is unacceptable—not just for our society and our economy, but for the thousands of lives that are not being fulfilled—that those who can work are unable to do so because of societal ignorance. Given all the recognised problems that we face, the focus that the Bill places on the shortfall in service provision for people with autism is as timely as it is welcome.

The Bill introduces a requirement for the collection of data on people with autism by local authorities. Data on children will be registered annually by each local authority, and shared with the relevant partners, as set out in the Children Act 2004. This will allow for local flexibility. The Bill also places on the Secretary of State a duty to advance the provision of services by local authorities and the NHS, and requires local authorities to work for a smooth transition from child to adult autism services, allowing for data collection by children's services to be used for adults.

The Bill also covers the provision of staff to deal with child autism, and provides for diagnostic services for adults, work force training requirements and sharing good practice at regional and national levels. Only two local authorities currently have a system in place to collect the relevant information, and the NHS and local authorities must, as far as possible, work to promote independent living for people with autism. All this is needed. As I have already said, I hope that the requirements to collect data will be fulfilled in a way that makes constructive use of the Special Educational Needs (Information) Act 2008, which will mean that data collected in our schools do not simply fall into a void once children leave school.

The impetus that the Government are placing on co-operation between local authorities and primary care trusts will help to ensure appropriate data sharing. This stage of transition is crucial in ensuring that the benefits of identification and support are not lost, which is why an extra £200,000 is being found for more research into the subject, to ensure a good transition between these groups. With improvements in teaching and many of the obligations set out in the child health strategy, there will also be a growing focus on earlier identification and intervention.

Wider measures, including child and adult mental health services, services for children with speech, language and communication difficulties, and the £770 million invested in the Aiming Higher for Disabled Children programme, will all help to improve the status quo. At this point, I would like to commend the sterling work done by the hon. Member for Buckingham (John Bercow) on the Bercow review.

Further improvements must come through a greater understanding of what achieves the best results. This is a problem that needs to be tackled, and it involves engaging with local communities, voluntary sector experts and carers to work out strategies that can overcome the existing difficulties with local information collection. Joint strategic needs assessments will be critical in providing better services for people with autism, and I hope that the Government can offer an assurance that autism, as well as other high-incidence special educational needs, can and will be included in such assessments.

I understand that Ministers have undertaken to look at issuing guidance that will address concerns about the commissioning of appropriate services and consultation across the full autism spectrum. I know that one of the bones of contention over the Bill concerns the teeth of the national strategy for autism. That is why I am pleased that the National Autistic Society will now be so closely involved with the development of such a strategy.

Following the Apprenticeships, Skills, Children and Learning Bill, the Department for Children, Schools and Families will offer consultation on new regulations and statutory guidance for children and young people's plans. This will ensure that the needs of all disabled children are properly addressed. The Bill deals not only with autism, but with other special educational needs. I know that the National Autistic Society has been keen to confirm that there will be specific mention of autism in such guidance, and my understanding—which perhaps the Minister could confirm, if he has heard me—is that there will be. I am more than happy to take him at his word on this one.

The Government have made a far-reaching and thorough series of commitments, which could not have happened without the groundswell of support led by the hon. Member for Chesham and Amersham and driven by the National Autistic Society. I know that thousands of people have lobbied their MPs on this matter, and I congratulate everyone involved. This is a great achievement, and the measures that the Government have set out make it clear that they have listened to what is needed.

The Government aim to drive improvements on local services. There is not one aim of this Bill of which I do not approve, and I am delighted that the National Autistic Society and TreeHouse are so pleased with what this process has secured. Of course, one or two things need ironing out of the commitments that we have been given. The situation relating to section 7 guidance under the Local Authorities Social Services Act 1970 is unclear, and we will need to give greater clarity on how it should be interpreted. I share the hope—and, in fact, fully believe—that the national autism strategy will be comprehensive and that it will deliver the opportunities of the 21st century to those with autism. It should contain references to the fact that all children on the autism spectrum, including those with Asperger's, need to be on the register for children with disabilities.

In the light of the Government's proposed measures, I wonder whether the hon. Member for Chesham and Amersham, along with the Minister, might like to consider one or two questions, whose answers could set a precedent and carry ramifications for any future Government. It is right for the Bill to prioritise needs, but is it right to prioritise them with a Bill that deals with a single impairment, when we could help many more people by tackling the barriers to learning and life that people with a wide range of disabilities and special educational needs need to overcome? Much has already been achieved by the Bill and Second Reading is not yet complete; and I do not think that so much success has been won at such an early stage before.

I am delighted that the need to address weaknesses in services for people with autism has been highlighted. It is gratifying to see that the need for better information has been emphasised yet again and I cannot stress enough the urgency with which those responsible for implementing change must ensure that information held locally is used locally in order to deliver improvements nationally.

[Mrs. Sharon Hodgson]

Once again, I congratulate the hon. Member for Chesham and Amersham on her choice of Bill and on what she has achieved for those with autism. I also congratulate Ministers on their willingness to accept that more can be done, and on setting out to get it done as soon as possible. I know from my own experience last year how much work goes into such a process, and all involved deserve a big "well done". We must remember, however, that the real winners from today and from the process of the last few weeks and the weeks to come will be the hundreds of thousands of people with autism, for whom the 21st century should now seem a whole lot brighter.

1.26 pm

The Minister of State, Department of Health (Phil Hope): First, I congratulate the hon. Member for Chesham and Amersham (Mrs. Gillan) on securing this Second Reading for her Bill. As many Members have already remarked, her efforts have built on those of the hon. Member for Tiverton and Honiton (Angela Browning), who introduced a similar ten-minute Bill previously.

On behalf of every Member, I want to say that we have had a very meaningful debate this morning. Every Member with an interest in these matters wants to thank the hon. Member for Chesham and Amersham for raising the profile of this important issue. I also want to thank the Under-Secretary of State for Children, Schools and Families, my hon. Friend the Member for Portsmouth, North (Sarah McCarthy-Fry), who could not attend today. I have worked closely with her to develop the Government's proposals in this area. Between us and across our respective Departments, the Government certainly need no persuading of the need for action on autism.

Let me thank Members of all parties who have spoken—some have only been able to intervene—with passion and commitment. What they said has sometimes been based on their personal experiences, sometimes on the views of their constituents who have autism and their families and carers. Quite rightly, Members have called for more to be done in their constituencies. I particularly congratulate Members who have been, or are involved in or have chaired, the all-party group on autism: my hon. Friend the Member for Burton (Mrs. Dean), my hon. Friend the Member for South Thanet (Dr. Ladyman), a former Minister, and my hon. Friend the Member for Erewash (Liz Blackman).

It is invidious to name specific MPs in a debate, and the quality and calibre of this morning's debate has, I think, been quite outstanding. Just as MPs here today have shown themselves to be steadfast champions of a very just cause, I hope that every MP will follow their lead in pressing for change at every level. I certainly want to take the opportunity, like others this morning, to record my thanks to the third sector organisations that provide services, advise on policy and campaign for change. I particularly thank the National Autistic Society, with which both the Department of Health and the Department for Children, Schools and Families have worked in close partnership to develop the new policies that we have the opportunity to debate today.

I start by agreeing with the hon. Member for Chesham and Amersham and many other Members who have spoken on a great many of the points raised in contributions. I want to respond to the specific points that the hon. Lady and others have mentioned, but more than that, I want to take the opportunity to give the cast-iron reassurances about the Government's intentions that Members have requested from me. I shall do that by describing our autism strategy in detail. I want to put on record what that strategy will contain, what it will achieve and how we will ensure that it delivers on its promise. I am not sure which Member said "We are all practical politicians and we want to establish the best way to proceed in order to do what works", but that is absolutely right. We need to ask what action we can take following today's debate to assure individuals with autism, their families and their carers that we are taking action swiftly and effectively to address the concerns before us.

Mrs. Jacqui Lait (Beckenham) (Con): It may reassure the Minister to learn that boroughs such as Bromley, which are not necessarily known for supporting central Government diktat, support this Bill and want it to become law so that they will be made responsible for registering those who suffer from autism, thus ensuring that people on the autistic spectrum and their carers receive the help that they need.

Phil Hope: I am glad that some authorities want statutory pressures to be put on them to meet their obligations, and, as I shall explain shortly, we will be doing precisely that by providing statutory guidance. I hope that all authorities are as welcoming as Bromley.

Mr. Bellingham: Will the Minister give way?

Phil Hope: I shall be dealing with these points in detail, but I am happy to give way to the hon. Gentleman.

Mr. Bellingham: In the letter that he sent me on 19 February, for which I am grateful, the Minister wrote:

"Legislation could make delivery of change more difficult for children",

and went on to suggest that steps could possibly be taken without recourse to such legislation. However, he has just told my hon. Friend the Member for Beckenham (Mrs. Lait) that he felt that a statutory framework would be a good thing. Will he elaborate on that?

Phil Hope: That is exactly what I intend to elaborate on, by explaining how the statutory guidance that we wish to provide, which will flow from the national strategy for adults with autism, will address key issues at local level without creating the risk of rigidity, inflexibility and inability to deliver change that might be unintended consequences of other measures.

Mrs. Humble: Will the Minister explain how the statutory guidance will lead to the development of more services? Last Monday I visited an excellent day facility run by Autism Initiatives in Blackpool, but there are very few such services specifically for adults with autism. How will the overall strategy and the detailed commissioning strategy lead to more good services of that kind?

Phil Hope: My hon. Friend was eloquent earlier in describing excellent practice not just around the country generally, but in her constituency in particular. We want that excellent practice to be replicated throughout the

country, so that pockets of excellence become the mainstream norm in meeting the needs of adults with autism. The new strategy that we will launch in April will be subject to a major consultation in which many such questions and issues can be addressed. Once the strategy has been developed, we will be able to issue statutory guidance based on it, enabling every local authority to understand its obligations and the work that it must do to assess need, provide services, involve people in the development of their local strategies, and improve their work forces.

Mr. John Leech (Manchester, Withington) (LD) *rose—*

Phil Hope: I intend to cover these points in detail when I am able to do so, but I will give way to the hon. Gentleman.

Mr. Leech: Does the Minister not accept that it is far easier to ensure that local authorities do not misunderstand or misinterpret guidance—as they often do—if it is put in a Bill that will subsequently become an Act?

Phil Hope: The hon. Gentleman is right. I shall say a great deal more about the guidance that we will publish, but the key question is whether it is statutory. I shall be describing the range of measures that we will introduce to ensure that best practice is replicated so that individuals with autism, and their carers and families, receive the services that they need. Those measures will include not just statutory guidance but back-up in the form of leadership, delivery mechanisms and relentless pressure across all regions to ensure that what we talk about happens in practice.

Andrew Miller: I rise to seek clarification from the Minister. There has been a lot of confusion in contributions on this matter. Irrespective of whether we have this Bill, there will have to be guidance in order for the Minister to fulfil his promises. With the Bill, it would be guidance issued under clause 5, under which the Secretary of State must set out regulations. Without the Bill, regulations will still have to be made. Either way, it is vital that it is statutory guidance.

Phil Hope: My hon. Friend is absolutely right. We can argue about which primary legislation the regulations sit under, but the fact is that we wish to introduce that statutory guidance, and I will address the detail of which Act we wish to use for that statutory guidance when I reach that point in my remarks. I should, perhaps, add that this is only in regard to adults. In addition to that statutory guidance, my hon. Friend the Under-Secretary of State for Children, Schools and Families intends that the Bill on apprenticeships, children, schools and learners will also be the Bill from which will flow statutory guidance on children with autism. In that case, there will be statutory guidance on children and young people's plans—not the adult side, but the children side—that will flow from different legislation. That statutory guidance will spell out what is expected from local authorities in respect of children with autism when they draw up their children and young people's plans.

Mrs. Gillan: Will the Minister therefore confirm that what he has started to set out at the Dispatch Box, and what he has already circulated widely to Members, will still be implemented no matter what happens to this Bill? In other words, will he confirm that he is giving his personal undertaking as a Minister of the Crown that he has already set out what he will deliver, notwithstanding anything we do with this Bill and whether or not it goes into Committee? Will he give me his personal ministerial guarantee that he will still go ahead with all those provisions, and that nothing from the procedures in respect of this Bill will prejudice anything contained in the memos and letters that he has already sent out?

Phil Hope: If this Bill proceeds to Committee, I cannot say what effect that will have because we do not know what the outcome of the debate there will be, but what I can say is that all those measures that I have written to every Member about, and that I wish to repeat here at the Dispatch Box, are cross-Government policy—they are what we wish to implement as a Government. I also have to say how inordinately proud I am to be the Minister of State for care services announcing these measures—building on the success of the past, which I wish to refer to later—and putting forward what I think will make 2009 a year of profound, massive and substantial advances in meeting, and developing services to meet, the needs of adults and children with autism, their families and their carers.

As a starting point, I want to describe an experience that made a great impression on me, and I hope it will have a similar effect on other Members. Several Members have spoken very eloquently about why the matters under discussion are important. Earlier this week, I visited an arts exhibition that showcased the winners of the National Autistic Society "I Exist" creativity competition—various Members have referred to this excellent campaign. All the winners have work shown at the exhibition and they all deserve tremendous credit, but I was particularly struck by one image. It was a photograph by a gentleman called Danny, whom I was lucky enough to meet on the day. He is 48 and has Asperger's syndrome, and he is clearly a hugely talented photographer. His winning picture is truly exceptional. In the foreground, there are four children, all silhouetted, and partially shrouded by a thick mist so that it is not quite clear what is going on in the picture: are these children sheltering from something, or queuing, or playing? If we look closely, however, we can just make out other people in the background—a group of adults, some of them so faint they look like ghosts in the swirls of the mist. The impression of this photograph is enigmatic, haunting, exotic and thoroughly mesmerising—it is a brilliant piece of photography, and a deserving winner.

However, what really hit home—what knocked me for six, in fact—was Danny's reply when I asked him what inspired him to take that shot. He said that the image summed up his life with autism. The photograph, by the way, is called "Children in the mist", and that, for me, sums up why we need more action on autism. That is the human cry that I believe we must answer. We must bring people such as Danny out of the mist. We must provide new clarity, confidence and certainty to their lives. We must help them to escape the feelings of isolation and fear and the dislocation that that picture embodies. I am sure that no one in this House would disagree with that aim. It is what the hon. Lady's Bill seeks to achieve and that is entirely commendable, but the question is: what is the right way forward?

[Phil Hope]

I want to describe a fuller picture of what we are doing, but today's debate has focused on the measures we have recently announced—we have just been having an exchange about those—to drive forward our plans for improving the lives of children and adults with autism and their families. The hon. Lady said that she was delighted and thrilled by those measures, and I am glad that she said that. I will go into them in more detail later, but let me give a summary of the measures as they stand.

First, as I have said, new statutory guidance is promised for children and young people's plans that will specifically refer to children on the autistic spectrum, and which will flow from the enactment of the Apprenticeships, Skills, Children and Learning Bill. We want to create robust systems to ensure that data collected on children with autism are then shared with adult social services to bridge that transition gap. There will be extra resources—an issue on which the hon. Member for Buckingham (John Bercow) pressed me. There will be £200,000 to research the challenges faced by young people with autism in their transition to adulthood, and yes, we will of course make sure that those resources are spent on that task.

John Bercow: I am grateful to the Minister for what he has said. My very simple question is: when?

Phil Hope: We will be spending that money this year. The hon. Gentleman can get further details on exactly when and how from my hon. Friend the Member for Portsmouth, North, who is responsible for that issue in the Department for Children, Schools and Families. That is an important area of expenditure for researching the challenges faced by young people with autism in their transition to adulthood.

There will be extra funding next year for the Autism Education Trust—a total of £500,000 in 2009-10—to promote better commissioning skills among local authorities and primary care trusts, particularly in the field of education. There is also funding—£300,000—to research the prevalence of autism among adults. In answer to my hon. Friend the Member for Gateshead, East and Washington, West (Mrs. Hodgson) and others, we will be researching that prevalence because unless we have that information, how can we plan the way forward? In April, we will publish new commissioning guidance for PCTs and local authorities on the strategic planning of health and social care services to meet the needs of adults with autism. I make that point because of the importance that others have placed on the need to join up health and social care, making sure that the organisations are working together.

In April, we will launch the consultation on a new national strategy for adults with autism. There will be four pillars of reform in that strategy. They have been developed not by the Government but by an expert external reference group to which other Members have referred, led by Mark Lever, the chief executive of the National Autistic Society. The four pillars of reform for adults with autism are, first, better specialist and mainstream health services, and secondly, tackling social exclusion, including employment. I will say more about how we go about that; some excellent examples were given earlier of activities to help adults with autism get into voluntary and paid work. The third pillar is improved choice and control for adults with autism, not least through the much better personalising of services—we discussed individual budgets and the value that they bring—and the fourth is improving the skills and knowledge of the staff who work with adults with autism.

Dr. Ladyman: Surprisingly, the four pillars do not include law and order and the criminal justice system. Will my hon. Friend get hold of a copy of the Maryland curriculum, which is the programme used in the state of Maryland to train its courts and police officers, and send it to the Home Secretary and the Lord Chancellor? Will he ask them to use their powers to issue the same sort of guidance as he is talking about for the health services and social care to the people responsible for dealing with autistic people when they enter the criminal justice system?

Phil Hope: My hon. Friend has raised an excellent point. That goes to show that we need to have a big debate this summer as we roll out the national strategy. I dare say that members of the external reference group, who will be watching this debate and reading *Hansard* afterwards, will take into account both the plea that he has made about a possible further pillar of reform and his suggestion of what that pillar might be. The national debate will be a vital vehicle for taking forward exactly these kinds of contributions so that we have a strategy for autism that meets the needs of adults who have those experiences. The national external adviser we have appointed to help us, Elaine Hill, who is a very experienced person, is particularly concerned about what happens to those people with autism who end up in our criminal justice system as offenders. Their needs are not understood and they are in completely the wrong place to deal with the issues that they have to deal with in their lives. My hon. Friend is knocking on an open door, and I will ensure that his comments are drawn to the attention of the appropriate people.

The strategy and the pillars of reform for adults with autism are underpinned, as I said earlier, by statutory guidance under section 7 of the 1970 Act subject to consultation and assessment of benefits as we take through the development of that national strategy. We might have disagreements in this Chamber about which statutory footing to use, but I am convinced that this is the right way forward and I want to say more about that in a second.

Strong leadership is needed to back all that up. It is vital that nationally, regionally and locally we drive forward the implementation of change. However, as has been asked, even with statutory guidance, is change actually delivered? It is vital that at every level we have people driving forward the action that we need to ensure that the good practice that we have heard about in the Chamber today is replicated around the country. I remind the House of our recent announcements about the delivery of plans and resources that will benefit children with autism through our new child health strategy, the review of our children and adolescent mental health services, our work on "Aiming High for Disabled Children" and better training and support for professionals in mainstream education.

The hon. Member for Chesham and Amersham said that she wanted to secure lasting change, and I want to echo those words. I listened with great interest to her

speech and those of other Members, not least that of the right hon. Member for West Dorset (Mr. Letwin), but I am still left with the impression that the proposals are not the best means of securing the outcome that I have been describing—*[Interruption.]* If hon. Members will allow me, I shall now say why I believe that.

We all know that legislation can be a very blunt and crude instrument for driving through change, especially when the end we seek is better awareness and better use of the expertise and resources that are already in the system. We need to preserve for councils the freedom and flexibility that they need to meet the complex web of local needs—not to avoid them, but to meet those needs in ways that are relevant to them in their area. We need an approach that ensures appropriate and relevant action on autism in every area and that complements the ambitious work that is already under way across mental health and social care. I want to say more about that in a moment. We need to give local authorities the scope and skills that they need to zero in on the specific needs of people with autism.

I shall make it clear later that we are not working from a standing start. Other Members have been kind enough to highlight examples of where the Government have made a difference.

Mr. Bellingham: I have had lengthy discussions with my local education authority, primary care trust and other agencies. Specifically on providing local information and more effective support, which is outlined in the Minister's document, they have told me that having that provision on a statutory footing would set an obligation on them that they would have to fulfil. At present, it is a voluntary matter.

Phil Hope: I agree—the hon. Gentleman is absolutely correct. That is why we intend to issue statutory guidance for children and young people's plans as part of the apprenticeships Bill—if I can use that shorthand. Statutory guidance will also flow from the national strategy for adults with autism, which we will launch in April.

Mr. Bellingham: It is refreshing and encouraging to hear that, but there is a huge amount of detail that needs to be discussed. Surely that would best be done during Committee stage.

Phil Hope: That is certainly one approach that we could take, but people are asking for two things: a strategy that has bite and a debate to take place so that we can deal with all the details. I assure the House that the adult autism strategy would not look out of place in a "Jaws" movie. It will have real bite—

Mrs. Gillan *claimed to move the closure (Standing Order No. 36).*

Question put forthwith, That the Question be now put.

The House divided: Ayes 131, Noes 25.

Division No. 42] **[1.51 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Austin, John
Bacon, Mr. Richard
Baron, Mr. John
Barrett, John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Berry, Roger
Betts, Mr. Clive
Blunt, Mr. Crispin
Bone, Mr. Peter
Brady, Mr. Graham
Brake, Tom
Brokenshire, James
Brooke, Annette
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Cable, Dr. Vincent
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Ms Katy
Cook, Frank
Cox, Mr. Geoffrey
Cruddas, Jon
Davey, Mr. Edward
Davies, Philip
Dismore, Mr. Andrew
Dorries, Nadine
Duddridge, James
Duncan Smith, rh Mr. Iain
Durkan, Mark
Evans, Mr. Nigel
Fabricant, Michael
Fallon, Mr. Michael
Featherstone, Lynne
Field, Mr. Mark
Garnier, Mr. Edward
Gauke, Mr. David
Gerrard, Mr. Neil
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Gove, Michael
Gray, Mr. James
Greening, Justine
Grieve, Mr. Dominic
Hammond, Stephen
Hands, Mr. Greg
Harris, Dr. Evan
Heald, Mr. Oliver
Heath, Mr. David
Hendry, Charles
Herbert, Nick
Hoey, Kate
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hurd, Mr. Nick
Jackson, Glenda
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lansley, Mr. Andrew
Leech, Mr. John
Letwin, rh Mr. Oliver
Lidington, Mr. David
Loughton, Tim
Luff, Peter
MacShane, rh Mr. Denis
Main, Anne
May, rh Mrs. Theresa
McDonnell, John
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Naysmith, Dr. Doug
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Ottaway, Richard
Pelling, Mr. Andrew
Penning, Mike
Pound, Stephen
Prisk, Mr. Mark
Prosser, Gwyn
Randall, Mr. John
Rosindell, Andrew
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Slaughter, Mr. Andy
Soames, Mr. Nicholas
Steen, Mr. Anthony
Strang, rh Dr. Gavin
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Mr. Ian
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Walker, Mr. Charles
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Mark
Williams, Mr. Roger
Wilshire, Mr. David
Wright, Jeremy
Young, rh Sir George

Tellers for the Ayes:
Mr. Rob Wilson and
Mr. Stephen Crabb

NOES

Beckett, rh Margaret
Blizzard, Mr. Bob
Burnham, rh Andy
Byrne, rh Mr. Liam
Clwyd, rh Ann
Dean, Mrs. Janet
Eagle, Maria
Fitzpatrick, Jim
Flint, rh Caroline
Hillier, Meg
Hope, Phil
Irranca-Davies, Huw
Jones, Mr. Kevan
Jones, Lynne
Kidney, Mr. David
Knight, rh Jim
Ladyman, Dr. Stephen
McNulty, rh Mr. Tony

Miller, Andrew
Ruddock, Joan
Simon, Mr. Siôn
Spellar, rh Mr. John
Stewart, Ian
Thomas, Mr. Gareth
Timms, rh Mr. Stephen

Tellers for the Noes:
Liz Blackman and
Helen Goodman

Question accordingly agreed to.

Question put accordingly, That the Bill be now read a Second time.

Question agreed to.

Bill accordingly read a Second time.

Lending (Regulation) Bill

Second Reading

2.2 pm

Mr. Russell Brown (Dumfries and Galloway) (Lab): I beg to move, That the Bill be now read a Second time.

I thank the hon. Member for Chesham and Amersham (Mrs. Gillan), whose Bill preceded mine. I congratulate her most sincerely, and as a co-sponsor of her Bill, I wish her well as she goes into Committee with it.

I thank Which? for the support that it has given me with this Bill. Obviously, the Bill is dear to my heart, but it is also dear to the hearts of many in the House. I should like to apologise to Opposition Members; this Bill was put together very much at the last minute, and I did not have the opportunity to approach them for their support. However, having spoken to a number of them, I know that many support the concept of what I am trying to do with the Bill.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): I thank my hon. Friend for giving way at this early stage in his speech. I am a co-sponsor of this Bill—and indeed a co-sponsor of the Autism Bill. This Bill is dear to the hearts of not only my hon. Friend and many in the Chamber, but many of our constituents. I am thinking especially of the parents of the young people—18 and 19-year-olds—who have over the years regularly been sent unsolicited applications for credit cards and greater loans with absolutely no advice. Those young people have often got into debt that they should never have got into.

Mr. Brown: My hon. Friend is absolutely right. We are here today to try to lessen what has been happening in the consumer marketplace.

Some would say that this small Bill is trying to lock the stable door after the horse has bolted, and yes, to a certain extent that could be claimed. However, that does not mean, given that many individuals, households and families find themselves in financial difficulty, that we should not make an attempt to stop, as soon as possible, some of the practices covered in the Bill.

I want to be brief, because the ultimate aim of this process is to get the Bill into Committee. Having discussed the matter with my hon. Friend the Minister, I know that it has a fair degree of support. As he knows, I am happy for amendments to be tabled in Committee to change or take out anything that people are not happy with.

Clause 1 deals with unsolicited offers of credit. Several credit card companies are still sending out unsolicited credit card cheques. I myself have been the recipient of several of those over the past five or six years—thankfully, I would add, never taking up the offer. A survey in October by Which? showed that 46 per cent. of respondents had been sent unsolicited credit card cheques in the past. These cheques tend to have higher APRs and handling fees and offer less favourable repayment conditions, and they are often targeted at the most vulnerable consumers.

Mr. William Cash (Stone) (Con): Having read the hon. Gentleman's Bill, I am bound to ask him a question in the light of the De Larosière report, which has just

come out in the European Union and concerns the regulation of all financial services and all banking, with the proposal to shift the whole lot to a European level. The Bill refers to

"organisations representing consumers of financial services; and...any other organisation".

Does he agree that it is absolutely disastrous for us to send all this off to the European regulatory system, and that we should be ensuring that we legislate here, on our own terms, in this House of Commons, however much reform may be needed?

Mr. Brown: The hon. Gentleman always puts me at a disadvantage when he talks about issues European. However, I think that we are probably moving on to common ground in this regard, and I look forward to his support, if he can possibly see his way to giving me that. We need to get our own house in order—that is vital for the people of this country.

Mr. David Heath (Somerton and Frome) (LD): I congratulate the hon. Gentleman on having the opportunity to present his Bill for Second Reading. He said that it was put together very much at the last minute, so I am not attempting to pick holes or be pedantic, but could he explain what the words "offering credit" in clause 1(a) are supposed to refer to? They seem to be entirely superfluous given that later on in the Bill there is a definition of what a credit card cheque is. Perhaps it means something that I have not yet divined.

Mr. Brown: I thank the hon. Gentleman for his intervention. On occasion, unsolicited credit card cheques arrive with individuals who do not even have credit cards, so they represent an offer to people who may not yet be involved in credit. I have already put it on record that I am more than willing to see amendments tabled if absolutely necessary and if that tidies up the Bill. Let me also say that I am not being critical of the Clerks, who gave magnificent assistance with this.

I had hoped that the Bill would cover 100 per cent. mortgages, but I thought it appropriate to remove that aspect because in the past week to 10 days much has been said about what level of mortgages should be offered, especially to first-time buyers. However, the issue of unsolicited credit charge cheques remains. Unlike credit cards, these cheques are not subject to protection under section 75 of the Consumer Credit Act 1974. Individuals have found, to their great cost, that as well as interest rate levels being much higher, the interest kicks in as from the time that the cheque is cashed.

Mr. Cash: Does the hon. Gentleman agree that there is an increasing tendency among credit card companies, irrespective of the fact that interest rates have now dropped to 1 per cent., to increase dramatically the amount on credit cards? People who are already in difficulties over credit card payments are finding the situation absolutely intolerable. Will he want to cover that in his Bill if it gets into Committee, if it ever does?

Mr. Brown: The hon. Gentleman is once again absolutely right. Out in the marketplace, those who possess a credit card are being exploited to a certain extent. We could have a Bill in its own right on credit cards, but I would like to cover two or three more elements of my Bill.

Clause 1 deals with the unsolicited increase in credit card limits. That is permitted under the banking code, but the result of a Which? survey in October showed that 58 per cent. of respondents had had their credit card limit increased without even requesting it. That can, regrettably, lead to unaffordable amounts of credit being made available to consumers.

Mr. Mark Prisk (Hertford and Stortford) (Con): I wonder whether I might probe that particular issue. The hon. Gentleman rightly raised the point about the number of people receiving an increase in unsolicited credit limits. Does he have any figures on the proportion of people who took up that additional offer? He may not—it is merely a question of inquiry.

Mr. Brown: I am afraid that I do not have those figures. If I had been a Minister, I could have said that I would write to the hon. Gentleman, but I am sure that those figures could be made available.

Mr. Andrew Dismore (Hendon) (Lab): My hon. Friend has done the House a real service in introducing this Bill, because it plugs an important gap, even if it is a little late for some who have got themselves into debt. The answer to the question he was asked is that we do not really know, because when credit limits are extended, people might nibble at them a bit at a time, rather than using all the money in one big hit. One of the risks is that people may drift into spending more than they can afford a bit at a time, without realising that they are getting themselves into a mess.

Mr. Brown: My hon. Friend is absolutely correct. People tend to escalate into levels of debt. Not everyone goes out, has one massive splurge of purchasing items and winds up in debt they cannot afford.

The provisions dealing with unsecured loans in clause 2 are there because it is important that individuals who are taking out loans recognise, if they are home owners, that there is a potential for court action under the Charging Orders Act 1979, which may result in their ending up in court and thereafter having to sell their property to make up for debts that have become unaffordable. The courts in England and Wales in 2007 showed a tenfold increase since 2000—97,000 charging orders were made during that period. The method of calculating interest rates is a complex issue that confuses most consumers. I would dearly like something to be done through this Bill to standardise that process.

Mr. Cash: I do not know whether the hon. Gentleman is about to finish, but he has not mentioned credit unions, unless I have missed something. I am seeking to set up branches of credit unions in my constituency precisely for the reasons that lie behind a lot of his thinking. Credit unions offer those who can least afford extravagant interest rate arrangements the opportunity to avoid loan sharks, and to live a reasonable and fair life with very modest amounts of money passing one way or the other.

Mr. Brown: The hon. Gentleman and I are very much on common ground here. He has come on to my ground in talking about credit unions. They are not covered in this Bill, but I know that one of my colleagues is looking to strengthen them in his private Member's Bill.

[Mr. Russell Brown]

I very much support that idea, and I think that it has support across the House. Credit unions are there to be used by those who can least afford to find themselves in any kind of financial difficulty.

Annette Brooke (Mid-Dorset and North Poole) (LD): I congratulate the hon. Gentleman on bringing forth the Bill. Will he clarify whether it would have any financial implications for the Government?

Mr. Brown: None that I am aware of. Although I had merely a brief discussion with my hon. Friend the Minister some two weeks ago, I do not believe that anything in the Bill would have financial implications for the Government. I am keen to hear what he has to say today, and he might be able to enlighten the hon. Lady, myself and the rest of the House on that matter.

2.15 pm

Mr. Mark Prisk (Hertford and Stortford) (Con): I begin by commending the hon. Member for Dumfries and Galloway (Mr. Brown) for introducing the Bill and for the way in which he did so.

As we have heard, the Bill is intended to address one of the most important and, I suspect, long-lasting problems that this country faces, namely debt. Personal debt is now more significant here than in any other major economy. Estimated as standing at, I believe, £1.4 trillion, it is now larger than the UK's entire gross domestic product. Of course, the Government themselves have been borrowing and spending recklessly, leaving us with a national debt in excess of £1 trillion. During the good years, they failed to prepare for the downturn, and as we know, the result is a burden that will fall on us and on future generations.

The Bill addresses one aspect of personal debt, namely credit card debt. I know that many Members will, like me, have seen appalling instances of individuals finding themselves with dreadful debts that they have no prospect of clearing. Whether those debts came through momentary weakness or, on occasion, financial ignorance, people are beginning to realise just how burdensome consumer credit card debt can be.

Although individual borrowers are primarily responsible for the situation in which they find themselves, the hon. Gentleman is right to highlight the responsibilities of the credit card industry. Sharp practice must be identified and tackled effectively. That is why, a few weeks ago, my party set out a clear plan of action that mirrors many of his concerns. For example, our approach would include the provision of a free national financial advice service, funded by the financial services sector. We would also clarify and improve the standard of information provided for credit card customers and end excessive store card interest rates. Those measures would be part of a package that would relate to many of the hon. Gentleman's points. Essentially, they would be about informing, empowering and protecting the consumer.

That is why the Opposition will not seek to oppose the Bill. We share many of the concerns of its sponsors, but I say to the hon. Gentleman that we are not yet convinced that, as currently drafted, it is necessarily the right way forward. I shall give a couple of examples of why that is the case. First, it would ban unsolicited credit card cheques and unsolicited increases in credit limits. That aim is laudable, but my concern is that that would not necessarily tackle the fundamental problem. Inevitably, the unscrupulous would find other ways to entice people to borrow. If we are to deal with the fundamental problem, we need to address the reason why some people make bad borrowing decisions. After all, when there is an unsolicited increase in credit limit, not everybody uses it, at least according to the evidence that I have seen. Only some people spend the extra money. Sadly, as the hon. Gentleman said, it is often those who can least afford to do so. To really help, we need to ensure that people are better informed so that they can learn to borrow within their means.

Mr. Cash: My hon. Friend will have heard my comments about the proposed European regulatory arrangements and my concerns about them, which I set out in a letter to the *Financial Times* today. In line with our party policy, will he reaffirm that the sort of arrangement that we are discussing should be kept in the framework of Westminster legislation, as the shadow Chancellor and the shadow Economic Secretary have said, and not be subsumed into European legislation? Does he agree that we should ensure that the House retains its supremacy?

Mr. Prisk: Absolutely. I make a habit of never disagreeing with the shadow Chancellor. I am sure that he is right about the issue, and I am happy to confirm that for my hon. Friend.

Clause 2 requires anyone selling an unsecured loan to ensure that the borrower is aware that it could be turned into a secured loan by court judgment. The Bill targets the right outcome. Transparency of information is vital so that people understand the exact consequences of their actions.

Clause 3 deals with the standard method of calculating interest rates on credit cards. There is undoubtedly a bewildering range of different interest rates and terms, and consumers need help. However, I am not convinced that Whitehall's determining a single methodology would prove practical. Indeed, it could restrict innovation and consumer choice. The Bill needs to be careful: it is one thing to provide for standardisation and transparency, but we would be worried about a narrowly prescriptive measure.

The Bill rightly tries to tackle the problem of credit card debt, and we share the promoter's concerns, but we have reservations and believe that the measure has missed an opportunity to deal with financial information. Perhaps the Minister will deal with that important point in his response. We will not oppose the measure, which deserves further parliamentary consideration. We look forward to participating in that process to help those in debt and empower consumers generally.

2.21 pm

The Minister for Trade, Development and Consumer Affairs (Mr. Gareth Thomas): In the spirit and tradition of the House, I join others in congratulating my hon. Friend the Member for Dumfries and Galloway (Mr. Brown) on introducing an important Bill, which raises significant issues, especially given the current difficult times.

I note the interest in the Bill of my hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble) and the hon. Member for Stone (Mr. Cash), and that of the Liberal Democrat Members present, whose constituencies do not immediately come to mind—I apologise. I join my hon. Friend the Member for Dumfries and Galloway in praising the continuing work of Which?

The Government believe that the provisions are compatible with the European convention on human rights. I confirm that we welcome several of the key principles that underpin the measure, but like the hon. Member for Hertford and Stortford (Mr. Prisk), we have several concerns about some of the detail. I welcome my hon. Friend's commitment to work with us on the detail, so that we would consequently be happy for the Bill to make progress.

Mr. Cash: The Minister may know what I am about to say, but I shall say it none the less. Does he agree that the proposals in the De Larosière report and the European Commission proposals, which will come forward next week, to regulate the whole banking and financial services sectors at European level—it is proposed to implement them and put them into legal form between the end of this year and 2011—are completely alien to the way in which we should legislate in this House, on our own terms? Does he agree that it would be disastrous for the City of London, for financial services, and indeed for the Bill, if we allowed that to happen?

Mr. Thomas: I am sure that the hon. Gentleman understands that those matters are for my colleagues in the Treasury, and that Ministers who tread on the Treasury's turf do so at their peril. However, I agree with him that the matters that we are debating today are in the House's purview, and I hope that will support me and others to make progress.

Let me try to deal with the specific issues that hon. Members have raised. Clause 1 deals with unsolicited credit card cheques. As my hon. Friend the Member for Dumfries and Galloway has noted, there are a number of concerns about the use of such cheques. They are usually sent to consumers unrequested, tempting them into spending that they might not be able to afford. Such cheques typically carry a fee and a higher rate of interest. There is now worrying evidence that, rather than borrowing for what is referred to in the jargon as "discretionary purposes", consumers are using such cheques for essential expenditure and to deal with cash-flow shortfalls. In the light of that evidence, the Government welcome the measures proposed by my hon. Friend.

Clause 1 also refers to unsolicited limit increases. It seems clear that the ease of access associated with credit that is granted automatically offers greater scope for irresponsible borrowing than credit for which customers must actively apply. Unfortunately, some consumers will take the view that since the lender has offered a limit, it must be affordable and within their means. It is right that we should seek to protect them from that risk. However, I should make it clear to the House that we have not held the usual period of consultation on the matter. The Government would therefore seek amendments to the Bill as drafted to take powers to address the issue in secondary legislation, once consultation had occurred. That is consistent with the approach to regulation taken in the Consumer Credit Act 2006 and would allow a proper period of consultation and analysis.

On charging orders, I share the concerns that a number of hon. Members have voiced in the House, and to which my hon. Friend has given expression this afternoon, that home owners may not realise that defaulting on an unsecured loan could eventually lead to the forced sale of the family home. I am therefore supportive of the principle that underpins clause 2. However, we are already able to take such a step through existing legislative powers, so primary legislation is not required.

We will soon be amending many of the statutory information requirements relating to consumer credit agreements, when we implement the new European consumer credit directive. The Government will consult later in the spring on our proposals on how to transpose that directive. I propose to consult then on whether to require warnings about charging orders to be part of that exercise. In the light of that, we should like to encourage my hon. Friend to withdraw the relevant provisions, should the House grant the Bill a Second Reading.

Clause 3 deals with the standard interest rate calculation methods, which my hon. Friend also talked about. He will know that the issue was raised in a super-complaint to the Office of Fair Trading which resulted in an extensive market study. In its final report in February 2008, the OFT rejected the proposal that had been made. Therefore, the issue has been considered recently and I am not aware of any new evidence that has been presented. In the light of that, the Government cannot support that provision. Measures are being taken to strengthen consumers' ability to make an effective comparison among credit cards and products, so that they can shop around with confidence.

Mr. Heath: From what the Minister is saying, it seems that he wants a complete re-write of clause 1, in order to make the power a provisional power, and that he wants clause 2 to be considered further and brought back sometime in the spring in some form as determined by the Government. He is saying that he wants the Bill to go through, but not in any recognisable form. That does not seem entirely fair to the Bill's promoter, whose original intention I support.

Mr. Thomas: With all due respect, the hon. Gentleman is being slightly unfair in his description of what the Government are seeking to do. We support the principles underlying the Bill. I have made clear our support for one of the clauses, largely as drafted, and for the principles behind another, and we will seek to achieve a third set of provisions through existing powers, but I cannot support the final clause. With that explanation of the Government's position, I have made it clear that the Government support the Bill's progress, and I commend it to the House.

2.29 pm

Mr. Christopher Chope (Christchurch) (Con): I start from a disadvantage, in not having any notes to explain fully what the Bill is about. However, one thing that it does not seem to be about, but which it should be about, is the warnings given by the Government to the people whom they are inviting to lend them money. The Government are borrowing some £2 trillion, and the principles of affordability—whether the money can be repaid, and if so, when—should apply equally to

[Mr. Christopher Chope]

them and the people who are lending to them as they do to other individuals. I fear that the Bill will create one law for one group of people and a completely separate set of laws for the Government.

I also believe that the Bill undermines the principle of individual responsibility. We should make it clear to people who are embarking on taking out loans—

2.30 pm

The debate stood adjourned (Standing Order No. 11(2)).

Ordered, That the debate be resumed on Friday 15 May.

Business without Debate

PHARMACEUTICAL LABELLING (WARNING OF COGNITIVE FUNCTION IMPAIRMENT) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 13 March.

BROADCASTING (TELEVISION LICENCE FEE ABOLITION) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 27 March.

SOVEREIGNTY OF PARLIAMENT (EUROPEAN COMMUNITIES) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 24 April.

EUROPEAN UNION (AUDIT OF BENEFITS AND COSTS OF UK MEMBERSHIP) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 27 March.

DRUGS (ROADSIDE TESTING) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 24 April.

Peak Oil

Motion made, and Question proposed, That this House do now adjourn.—*(Helen Goodman.)*

2.31 pm

Barry Gardiner (Brent, North) (Lab): The stone age did not end because of a lack of stone, and the oil age will end long before the world runs out of oil. In fact, the oil age is clearly already coming to a close, and three things have precipitated that. First, we have either just arrived at, or, as is more likely, just passed peak oil—the point on the Hubbard curve at which the maximum rate of global production has been reached. Secondly, and directly related to that, is the challenge of climate change and the need to stabilise average global temperatures to no more than a 2° celsius rise. Although the report produced by the Intergovernmental Panel on Climate Change in 2007 equated that with a concentration of 450 parts per million of CO_2 equivalent in the atmosphere, more recent research from our own Hadley centre and NASA's Goddard institute suggests that that might be over-optimistic. That has led the European Commission, in its January communiqué on a post-2012 framework for the spring Environment Ministers Council, to suggest that a 350 ppm CO_2 equivalent stabilisation target might be better.

The third factor is political risk. This is what some people call security of supply, but it is effectively the political risk to which Governments are so acutely sensitive, owing to the fact that they are unable to control a resource that is essential to their economy functioning well. Energy is the lifeblood of the economic body, and the moment it stops flowing is the point at which the economic body begins to die. Perhaps the most striking example of the effect of the convergence of those three factors came earlier this week, when Stephen Tindale, a former head of Greenpeace, announced his conversion to the need for a new generation of nuclear energy plants in the UK.

I should make it clear that I am not in any way suggesting that the world is about to run out of oil. The International Energy Agency would suggest that there are enough proven and probable reserves of conventional oil left to supply the world with oil for a further 40 years at current levels of consumption. That is about 2.4 trillion barrels over and above the 1.1 trillion barrels that the world has produced so far. Beyond that, it makes sense to account for new discoveries of fields as yet unknown and for oil sands and oil shales, along with coal to liquids and gas to liquids, which, combined with extra-heavy oil, could account for a further 9 trillion barrels, although at significantly increased production costs, ranging from $50 to $115 a barrel.

None the less, the IEA outlook predicts annual production decline from now on, at a rate of 6.7 per cent. It is important to realise that there are significant limiting factors apart from price. We do not seem to be discovering significant new fields quickly enough. Data on existing reserves are suspect, particularly in the middle east, and depletion rates may be more rapid than some Governments are prepared to admit. Unconventional resources such as ocean floor or Arctic oil shales are proving technically more difficult as well as more expensive to develop.

The oil-producing countries are less willing to export as they increase their own domestic consumption. I think it was King Abdullah of Saudi Arabia who said in 2006 of some newly discovered field:

"Leave it in the ground. Inshallah our children will need it".

On the one hand, King Abdullah was absolutely right. As global supply is projected to fall from 80 million to 40 million barrels a day by 2030, while global demand is projected to rise to 104 million barrels a day, the shortfall of 64 million barrels is the equivalent of finding six new Saudi Arabias. No doubt in such an scenario, an oilfield or two in the cupboard might prove very profitable for the lucky children. On the other hand, King Abdullah's children will need these resources like a hole in the head, as their release is the equivalent of injecting an extra 13 gigatonnes of greenhouse gas emissions a year into the atmosphere in 2030—at a time when to stay within our stabilisation targets, we should be achieving a 17-gigatonne-a-year abatement instead. That abatement would be required simply to achieve our 450 ppm target. The 350 ppm target would require reductions far in excess of that level.

Oil, of course, is comparatively benign in comparison with coal, and the increase in coal generation is perhaps the single most acute threat that we can predict with some certainty. It is calculated that more than a third of the total 45 per cent. expansion in world energy demands by 2030 will be supplied by coal. Unless carbon capture and storage can be put in place for all new coal-fired power stations within the next five to eight years, that expansion of coal alone would make it highly unlikely that we could prevent dangerous climate change.

The Minister knows as well as I do that the current state of CCS technology and the reluctance to invest in it make this potential sequestration route about as reliable as a derivatives banker in a bull market. In her response, I ask my hon. Friend to outline the current time scale on which UK CCS might be rolled out, according to her Department's best estimates.

Because of the very different rates of emissions that different fuels produce per unit of electricity, I ask my hon. Friend to establish a carbon priority in UK energy policy that would give precedence to lower-carbon fuels and back that up with an appropriate structure of incentives and penalties. I understand the transport premium that oil commands, but she knows that in electricity generation, the ratio between coal, oil and gas is that for every 10 emissions from coal, there are seven from oil and only five from gas. Surely it cannot be right for Government policy to take account only of the financial costs of these different generating methods, and ignore the environmental costs.

Naturally, I am amazed that significant further investment of Government resources is not being put into the very lowest carbon and renewable technologies. The Government's stated position is that they will not in any way subsidise the new generation of nuclear facilities that this country so desperately needs over the next 15 years simply to replace older stations coming offstream at the end of their production line. That shows a level of complacency that would have qualified any Minister for a seat on the board of RBS over the past few years.

To meet the UK's increasing energy demands, we need not simply to replace existing power stations, but to install many more new ones. The Government rightly, but not yet adequately, incentivise renewable technologies such as wind and marine power. It is illogical to refuse to do the same for nuclear. That must change. I look forward to hearing my hon. Friend's response on that particular point.

No Member would expect me to speak about energy and climate change without mentioning the essential role that trees and forestry can play in leading the world out of the environmental problems that it faces. Those who are familiar with the McKinsey global abatement cost curve will know that it has identified an abatement potential of 19 GT. What is extraordinary is that of that total, which includes insulation, technological efficiencies, carbon capture and storage and literally hundreds of other components, forest mitigation alone accounts for a massive 6 GT. Most of that forest mitigation comes at a very attractive average price, lower than €15 per tonne. All the forest-based opportunities will have to be taken if the world is to reach even its 450 ppm target.

The Government have a wood fuel strategy for England. I know that because I was the Minister who produced it. However, it is one thing to have a strategy and quite another to have a programme. The Minister will be aware that the biomass currently available in under-managed broadleaf and conifer woodlands in England is respectively 2.7 and 1.5 million tonnes. If even half that available biomass were incorporated in a wood fuel programme, it would save the United Kingdom the equivalent of 3.6 million barrels of crude oil every year.

According to the Government's own cost-benefit analysis, a pump-priming investment of approximately £120 million—million, not billion—over eight years would show a return of approximately £70 million in carbon benefit during that initial pump-priming period. Thereafter, the benefits over costs would grow to an estimated £35 million each year in savings to the economy. Those figures relate to just half the biomass that we know to be currently available. They do not include the potential for plantation of new woodlands managed for biomass, or even the potential of using sawmill co-product. Significantly, they do not even include what is known as "arboricultural arisings"—the wood that comes from tree pruning and safety operations by highways authorities, 68 per cent. of which currently goes to landfill.

Given those added sources of biomass, in less than 10 years Britain could have a wood fuel industry that saved it hundreds of millions of pounds and approximately 10 million barrels of crude oil each and every year. That would also improve the biodiversity of much of the woodland in the country. If used strategically, it could also create migration corridors allowing species to adapt to the climate change that is already in the system, as well as a wonderful human resource of rest and relaxation. I ask my hon. Friend to ensure that the Department starts turning that strategy into a programme as soon as possible.

My intention in recommending a move from a global to a small-scale national programme is to make one essential point. Just as the enormous scale of the global challenge that faces us is not unitary, with peak oil, climate change, population growth to 9 billion by 2050 all combining to create the problems of unsustainability, the nature of the responses that we put into effect must not be unitary. The creation of my hon. Friend's Department was a welcome step forward in Government, bringing together old adversaries from the Department

[Barry Gardiner]

of Trade and Industry and the Department for Environment, Food and Rural Affairs and cementing them into allies, but in my view it failed to identify the real focus of the problem that we need to tackle.

The Department is called "Energy and Climate Change", and my hon. Friend lost her old title of Minister for biodiversity when she was transferred to it. It would have been far better for her to bring it with her. The real crisis is one of biodiversity and ecosystems failure, not of climate change. Let me emphasise that, in and of itself, climate change would not matter. The real problem is that biodiversity cannot keep pace with the rate of change, and as a result biodiversity is depleted and ecosystems break down. It is the loss of biodiversity, along with the loss of the ecosystem services that it provides, that represents the real threat to human well-being.

The economics of biodiversity and ecosystems is a new and difficult enterprise for politicians. We are struggling to identify the true nature of value as we broaden the concept of capital to include not just social capital and human capital, but natural capital. Today, most of the benefits provided to our civilisation by ecosystem services bypass the marketplace, escaping the pricing mechanism, and they are therefore lost to the political and economic process as a mere externality. This inability to capture the value of ecosystem services is the acutest market failure in our world today.

My hon. Friend the Minister would perhaps laugh if I told her that I had put off upgrading my mobile phone for the past 16 months because a little girl was stung by a jellyfish on a beach in Devon in 2007. However, it is the growing demand for the latest mobile phone that has made coltan so valuable. Mining for this resource has fuelled the conflict in the Democratic Republic of Congo and central Africa. That conflict has led to deforestation. This has seen the loss of habitat and a reduction of forest mammals. That has resulted in an increased demand for an alternative animal protein. That has seen the depletion of high-trophic fish stocks. That has resulted in fishing down the food chain. That has led to blooms of jellyfish, which have replaced fish as the dominant planktivores. And that has resulted in the beaches of south-west England being invaded by jellyfish.

If climate change teaches us anything, it is that we are interconnected, but our institutional structures have not yet begun to recognise that. Governments around the globe still have mechanisms of intervention and engagement that are segregated and compartmentalised. We have a Department for the environment and a separate Department for international development, when it is clear that it is impossible to achieve the millennium development goals without securing the ecosystem services that provide the poorest 1.4 billion people on this planet with 50 per cent. of their GDP. We have a Treasury that understands over-leveraging of companies and credit bubbles, but that cannot see a connection with a world population consuming resources that the planet takes one year and four months to renew or replace, and a Treasury that refuses to put a value on ecosystem services and sees value only in the context of financial markets.

I urge my hon. Friend to work across Government silos, to reconnect with her old title as biodiversity Minister and to stop our institutional structures limiting our responses to global problems. We need to stop thinking in fragments and break down the barriers that prevent us from arriving at comprehensive solutions. Planting woods for biofuel is in every way as important a signal that her Department is rising to this challenge as it is a positive contribution to abatement and tackling the problems of peak oil.

2.48 pm

The Parliamentary Under-Secretary of State for Energy and Climate Change (Joan Ruddock): I congratulate my hon. Friend the Member for Brent, North (Barry Gardiner) on what was an absolutely fascinating speech. It was wide-ranging, and I can say both that I agree very much with what he said about biodiversity and that my thinking does cross all Departments. I believe that the Government are beginning to accept the imperative of looking at biodiversity and ecosystem services and that value is being placed on them. Perhaps I should also add that I, too, have resisted having a new mobile phone, and for similar reasons—although my phone is now becoming so poor that I have managed to miss a few messages from the Whips Office, so I suspect it will have to be replaced.

The objective of our Government energy policy is to deliver affordable, secure and clean energy to UK businesses and consumers. In order to ensure security of supply now and into the future, the Department of Energy and Climate Change monitors potential risks to supply. Clearly, one potential threat to UK energy security is that the global supply of oil is not sufficient to meet future demand. There is a wide range of views as to why oil supplies may become insufficient, including geological constraints, insufficient investment, political instability and resource nationalism.

Typically, the risk that oil supplies will run out due to geological constraints is characterised as peak oil. To monitor this risk, DECC looks at a wide range of academic and industry studies that analyse future world oil supplies. DECC also meets experts to discuss this and other oil market issues, including investment in and exploitation of new oil reserves. However, assessing peak oil is extremely complicated due to limited data and the importance of assumptions made about future developments in the energy sector. Consequently, risk assessments vary widely by source. We look at the different sources, but we do not estimate the timing of peak oil production ourselves. We realise that a number of factors influence the balance of supply and demand of crude oil, and that these are not limited to the amount of available recoverable conventional oil resources. They also include the global demand for oil in the future, access to and investment in the development of existing resources, and technological progress that may allow us to extract more oil from current sources.

My hon. Friend quoted the International Energy Agency and he is correct, in that its most recent report states that

"the immediate risk to supply is not one of a lack of global resources, but rather a lack of investment where it is needed".

The IEA estimates that only about a third of all ultimately recoverable conventional and economically recoverable oil has actually been produced to date. The report also states that

"there are reserves to meet demand at least through to 2030 if the investment is there".

This is based on a detailed analysis of, among other things, 580 of the world's largest oil fields, but the IEA also recognises—again, as my hon. Friend has said—that decline rates in maturing fields will increase, and that large investments are needed to make up the decline at existing fields. It estimates that total investment of $6.3 trillion might be needed on oil supply infrastructure between 2007 and 2030. Thus the IEA takes the view that it is not the level of oil reserves but of investment in production that is the more serious risk to future oil supplies.

Like the IEA, the Government have always recognised that additional investment will be required to meet oil demand in the future, and that the challenge lies in bringing these resources to market in a way that ensures sustainable, timely, reliable and affordable supplies of energy. We recognise that having oil reserves is only a start, and that converting these reserves into a global energy supply is fraught with challenges.

We are aware of the increased need to reduce barriers to timely and adequate investment in the oil sector. Having recognised those barriers, the Government used the London energy meeting in December as an opportunity for consumer and producer nations to discuss these issues. In particular, the transparency of global oil markets, the need for investments in production and the impacts of the financial crisis on future energy supply were discussed. At the meeting, participants emphasised the importance of stable and transparent investment regimes and agreed to work collaboratively to reduce barriers to investment. Participants also discussed the potential for innovative technologies to enable more efficient and effective use of energy resources. So we are not complacent about energy security.

The Prime Minister has asked my right hon. Friend the Member for Croydon, North (Malcolm Wicks) to review international energy security, and he may wish to include within his review consideration of supply and demand in the oil markets. Secondly, we are already putting in place policies that will reduce the energy intensity of the UK economy and help to increase its resilience to shocks in energy supplies. It is a fact that the UK is one of the least energy intensive countries in the G7.

My hon. Friend raised with me, quite properly, the threat of climate change from continuing use of fossil fuels, so let me address alternative technologies and energy efficiency. Tackling climate change and ensuring a secure supply of affordable energy are the key goals of our energy policy. Increasing our use of renewable energy is an essential part of our strategy for meeting those goals.

The UK's policies on climate change, our incentives for the development of renewable energy and our policies for moving to a low-carbon economy are consistent with the need to diversify our energy sources and ultimately increase our resilience to shocks in energy supplies. The Department of Energy and Climate Change will publish a new UK renewable energy strategy later this year, and it will set out the path to meet the UK's share of the EU renewables 2020 target.

The heat and energy saving strategy consultation, published on 12 February, sets out the Government's long-term vision for dramatically improving the energy efficiency of our homes and businesses and expanding the provision of low-carbon heat. The measures set out in the consultation could reduce oil consumption in 2020 by 6 per cent.

We already have a raft of incentives and constraints in place to tackle the move to a low-carbon economy. We have the EU emissions trading scheme, we are introducing the carbon reduction commitment and we have the renewables obligation certificates and, of course, the feed-in tariffs. They will all increase our potential to employ renewable energy.

Barry Gardiner: On the issue of ROCs, has my hon. Friend had the opportunity to consider the disparity between the five ROCs for marine renewables that the Scottish Administration have and the two that we have in England? Has she considered our urgent need to put more investment into marine renewables, as it is one of Britain's leading renewables sectors?

Joan Ruddock: I thank my hon. Friend for that important question, on which I regret that I am not briefed. As it falls outside my immediate portfolio, I shall have to take advice and I undertake to write to him on that point.

Let me turn for a moment to transport, which is the biggest consumer of oil in the UK economy, accounting for about 70 per cent. of total oil consumption. The Government are therefore working towards improving efficiency in the transport sector and within the 2020 EU package to achieve a target of 10 per cent. renewable transport fuels by 2020. The Government are also keen to promote the uptake of new technologies when they arrive and, as part of the recent announcements on transport strategy, we made a commitment of £250 million to deliver consumer incentives to promote electric vehicles.

My hon. Friend asked in particular about carbon capture and storage. The timetable is that we expect to have a demonstration project operational by 2014 and that we want to see commercially viable CCS in this country by 2020. Indeed, a European programme will assist with that. We are also considering additional policies that will take us from demonstration to deployment.

My hon. Friend asked about wood fuel and whether the strategy has become a programme. First, let me congratulate him on the development of the wood fuel strategy, which is an incredibly important part of our move from the most energy-intensive uses of energy. Much work is going on around government and I hope that in due course he will be satisfied that we have moved from strategies to programmes.

On my hon. Friend's point about nuclear, I think that he is very aware, as he suggested, that the legislation has been designed and passed in such a way that it does not create a Government subsidy for the industry. That has obviously been done because the Government believe that the industry will progress and that it will do so on a commercial basis. Of course, that is the assurance that the companies have given over time.

My hon. Friend spoke of the difficulties of exploiting more difficult oil fields, and the Government and industry are pursuing initiatives to stimulate North sea investment and activity. We are also working to ensure that there is a stable regulatory framework that helps market participants to have the confidence to make necessary investments in the UK continental shelf.

[Joan Ruddock]

We know that additional investment will be required in all elements of energy policy to meet demand and to ensure that the lights stay on in this country, but we have to move from a high-carbon economy to a low-carbon economy. The Climate Change Act 2008 gives us the framework we need, with its target of an 80 per cent. reduction in greenhouse gas emissions by 2050, consistent with the science whereby developed countries such as ours have to make that effort, if we are to remain within the 2° Celsius limit for temperature increase. I recognise that, even as we continue to exploit our oil reserves, we must prepare for decarbonisation of our energy supply and our homes and make progress in transport. The challenge is huge, but we believe that we have the frameworks and will have the policies we need to tackle it effectively.

Question put and agreed to.

3 pm

House adjourned.

House of Commons

Monday 2 March 2009

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

CULTURE, MEDIA AND SPORT

The Secretary of State was asked—

Football World Cup

1. **Jim Sheridan** (Paisley and Renfrewshire, North) (Lab): What recent discussions he has had with FIFA on the hosting of the Football World cup in 2018. [259226]

The Secretary of State for Culture, Media and Sport (Andy Burnham): Last month, I joined Lord Triesman in Zurich for the formal presentation to FIFA of the Football Association's bid to host the 2018 World cup finals. Following the presentation, Lord Triesman and I had constructive discussions with FIFA president, Sepp Blatter, on the bid and a range of football governance issues.

Jim Sheridan: I thank my right hon. Friend for that reply. I genuinely wish the FA every success in its bid for the World cup, because it could be the only route to qualification that the team get, and it makes it easy for us Scots to come down and compete. Will the Secretary of State confirm that he will encourage the games authorities to do more to establish a lifetime legacy for a World cup bid to ensure that grass-roots football is delivered to people, particularly those in poorer countries such as Africa and, indeed, throughout the rest of the world?

Andy Burnham: What provocation! I am barely out of the traps at DCMS questions and my hon. Friend goads me in that way. I hope that we will both see the 2018 World cup in England. I very much agree with him that we should learn from the failed bid of 2006 about how to go about bidding. At that time there was a sense of "Football's coming home. It is our turn; give it to us", but this time we must bid differently and more cleverly and recognise that English football has a reach in Africa and Asia that other national leagues do not. Because of that, there is so much that English football can take to the world to the benefit of football. That should be the spirit of the bid; I am grateful for my hon. Friend's support in that endeavour.

Mr. Andrew Mackay (Bracknell) (Con): I warmly support the bid. Does the Secretary of State agree that in this very deep world recession the strongest case that we have to put at the next meeting with FIFA representatives is that we already have the infrastructure and ability to take on the games? In the present financial circumstances, FIFA would be ill advised to take a chance on a country that does not have the facilities already available.

Andy Burnham: The right hon. Gentleman makes a solid point, and I very much agree with him. FIFA is taking the World cup to South Africa and then to south America; I think it would be in everyone's interest to have a World cup in 2018 that can do so much to reach out around the world. He is right that, because of our football grounds infrastructure, unlike others we can spend time working with other countries through our status as host nation. That is one of the compelling aspects of our bid. It feels to me that this is the right time for the country to get the FIFA World cup—not because we deserve it or because it is our turn, but because we can do so much more to enhance football around the world.

Mr. John Grogan (Selby) (Lab): What representations has my right hon. Friend received from FIFA about its wish to remove the World cup finals from the A list of protected events that must be shown live on free-to-air TV? Will he continue to resist any link between that desire on behalf of FIFA and our bid for 2018?

Andy Burnham: My hon. Friend will know that we recently appointed David Davies, the former Football Association executive, to consider the protected list. It is 10 years since we last reviewed it, and the time is right to look again at what shape the list should have in a world when we will all be watching digital multi-channel TV. That review is ongoing and I am sure that all interested parties will feed into it. My hon. Friend should also know that the issues are being tested at the European level. The UK has offered support to Belgium, which is currently facing a test on its own list. We strongly believe in the importance of a protected list to ensure that all people can watch for free events that are of national significance, which can help them to be inspired by sport. That will remain our case.

Pete Wishart (Perth and North Perthshire) (SNP): I am sure that the Secretary of State saw the remarks of FIFA president, Sepp Blatter, over the weekend. He supported the view of the Scottish Football Association, the tartan army, and the overwhelming majority of Scotland fans that a "team GB" would threaten the independence of the Scottish football team. Given that it has all been about FIFA assurances, will the Secretary of State now drop those plans and instead support our proposal to have all the home nations participating in the 2012 Olympics, just as they did in London in 1908?

Andy Burnham: I profoundly disagree with the hon. Gentleman. Late last year, the FIFA executive passed a resolution specifically saying that the independent status of the four Football Associations would not be affected by the fielding of a British team at the London 2012 Olympics. Might I say that FIFA takes issue with some of the reporting published at the weekend and has today resolutely confirmed its position, which it minuted

in December. I understand that, individually, the home Football Associations may not want to be part of the machinery that creates a team in 2012, and I understand that it is their right to take that decision, but I say to the hon. Gentleman and his colleagues that the British Olympic Association wants to put forward a British football team, and it should be the strongest team that we could possibly field. No sanctions should be applied against any young person who wants to accept the call-up to that team and represent their country in their home-soil Olympics. To deny young people that opportunity would, I think, be a crying shame.

Mr. Jim Devine (Livingston) (Lab): Basically, I have the same question.

Andy Burnham: Same answer.

Mr. Jeremy Hunt (South-West Surrey) (Con): This is a new question. Given the good will towards the bid from both sides of the House, does the Secretary of State think it appropriate that nearly half the members of the bid board are from the Labour party? I know that he will be keen to maintain cross-party support, so will he make urgent representations to resolve the issue so that a potentially great sporting success is not compromised by party politics?

Andy Burnham: I hear what the hon. Gentleman says and I hope that he is not trying to make a party political issue out of the bid, because the strength of our Olympic bid was its cross-party nature. Might I point it out to him that there are figures linked to the bid who represent both political parties? The recent announcement that Lord Coe accepted an invitation to join the board is welcome. Party politics really should not play a part; this should be a bid that represents all opinion, all football supporters and, indeed, all people who love sport in this country. I am confident that the balance on the board properly reflects the interest in sport throughout the country.

Newspaper Redundancies

2. **Ms Katy Clark** (North Ayrshire and Arran) (Lab): What recent assessment he has made of levels of redundancies in the newspaper sector; and if he will make a statement. [259227]

The Secretary of State for Culture, Media and Sport (Andy Burnham): We do not hold figures on the number of redundancies, but I can tell the House that 57 local newspapers have closed in the past 12 months. Given those real pressures, Lord Carter is considering how to sustain quality news provision across all media at a local level as part of the final "Digital Britain" report.

Ms Clark: I thank the Secretary of State for that reply. He will be aware of the recent announcement of 70 job losses at the *Daily Record* and *Sunday Mail* in Scotland. As he says, that is far from an isolated example. Indeed, the parent company of those newspapers, Trinity Mirror, just days afterwards announced profits of more than £145 million. Will he outline what he thinks the Government can do to stop that erosion of employment within the sector, which undoubtedly will have an impact on the quality of journalism?

Andy Burnham: I certainly share my hon. Friend's concern about, as she puts it, the erosion of the work force at a local level. I do not think that there is a constituency represented in the House that has not seen some pressure on its local newspapers as a result, obviously, of the cyclical pressures in the economy and, perhaps more importantly, the structural change in the media industry. Lots of advertising spend is migrating away from press towards other advertising. Those are the real issues that we have to address. I gave her a commitment that I would meet the National Union of Journalists parliamentary group to discuss that, and I believe that we now have a date set for that meeting.

I believe that those issues are of the most profound importance, because they affect the health of democracy at a local level. We need to come forward with proposals to ensure that there are high-quality training and media at a local level across all media. As part of the "Digital Britain" process, we have an ability to place focus on that issue to raise it up the agenda, because to be frank it does not often get a good airing in this place. By doing so, we can develop proposals to help to sustain local media into the future.

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): Does the Secretary of State accept that in many communities the local newspaper is as important as the local post office, the local shop or the local pub? Given the number of closures, which he has already referred to, and the fact that journalists are being laid off, offices are being centralised and newspapers are becoming more distant from their local communities, there needs to be urgent action, in particular to relax the competition rules so that markets are judged more broadly in terms of media consumption, and also to encourage local newspapers to take part in consortiums for the provision of regional news, while at the same time perhaps addressing the problem in the broadcast market for news.

Andy Burnham: The hon. Gentleman, as Chairman of the Culture, Media and Sport Committee, is quite right to say that we need to look afresh at how best to provide local news in future and to consider other ways of working—perhaps local newspapers working with media at a regional level or other possibilities that might include considering the role of regional development agencies and the Learning and Skills Council. Those are all ideas that I am perfectly happy to consider.

The hon. Gentleman raised specifically cross-media ownership rules. He will know that, as part of the "Digital Britain" interim report it was proposed that there be now a review by Ofcom and the Office of Fair Trading on the appropriateness of current rules, given the structural change in the media industry. That work will come forward as part of the final "Digital Britain" report, but the views that he has placed on the record today will obviously be heard as part of that.

Mr. Denis MacShane (Rotherham) (Lab): I have an interest to declare. I am a former president of the National Union of Journalists, and my predecessor but one, Stan Crowther—whom you will recall, Mr. Speaker—had a lifelong career as a journalist in south Yorkshire. We all have problems with journalists—even you, Sir—but whereas it is possible to have politicians without democracy, I do not believe that it is possible to have democracy

without independent journalism, and print media are essential: digital media could never replace them. However, we are seeing a massive erosion of our print media. Journalists are going out of the door regionally, locally and nationally. Lord Carter may be twittering away on the digital problems, but we need more urgent examination now of how we are to keep our print newspapers and trained journalists alive and in business.

Andy Burnham: I do not know whether Lord Carter twitters or not, but I certainly agree with my right hon. Friend that we all have our problems with newspapers. Indeed, I had my own last week.

As I said in my reply to our hon. Friend the Member for North Ayrshire and Arran (Ms Clark), the time has come for Parliament to take a greater interest in the health of journalism at local level, and particularly in how it might relate to skills and to the health of democracy. These are big issues, and we need to come up with new models for sustaining local news in the future. We all need to keep open minds on how best that might be achieved, but I could not have put it any more persuasively or directly than my right hon. Friend.

Sir Patrick Cormack (South Staffordshire) (Con): What concerns many of us is not just the health of journalists, important as that may be, but the health of local communities. Does the Secretary of State accept—I paraphrase what the right hon. Member for Rotherham (Mr. MacShane) has just said—that online is no substitute for in the hand, and that local newspapers, especially weekly ones, help to give a sense of cohesion to our communities and must not be allowed to perish?

Andy Burnham: I have a great deal of respect for the hon. Gentleman's view, but let me gently point out that we should not set up a conflict between online and in the hand. The world is changing out there, and we need to recognise that.

I agree with the hon. Gentleman wholeheartedly about the importance of trusted local names which help people to be discerning about the information that they are given. People trust local newspapers to be an impartial source of local information, like their local community. If they have the same reputation in the online world, some people are likely to feel more at home in that world, because they will know the background from which the information comes and the stance taken by the paper concerned. We must help local papers to make that migration into the online world, where the two media can live side by side.

Mr. Lindsay Hoyle (Chorley) (Lab): My right hon. Friend is well aware of the importance of the community, which is represented through local newspapers, local radio and, of course, regional television. Does he believe that there is a way in which all three can survive better if they can share that news and information? We cannot afford to lose any of those strands, and we cannot wait for the digital age, because it is happening now and we need action now. What does my right hon. Friend propose for us?

Andy Burnham: My hon. Friend has put it very well. That is exactly what I have in mind: partnerships at regional and local level. We have talked about a potential partnership between the BBC and a commercial operator in the provision of regional news on television, for instance. Obviously the BBC may have a broader role in helping to sustain local newspapers by providing access to information and, possibly, pictures and footage. There are all kinds of possibilities. As I have said, we need to approach the matter with an open mind, recognising that things will probably need to change if we are to provide an infrastructure to support local media in the long term. I am confident that if we approach it in the right way, the right models and solutions can be found.

Mr. Jeremy Hunt (South-West Surrey) (Con): The Secretary of State says that Lord Carter will conduct a review, but surely what newspapers need is not a review but a decision. At the current rate, another 1,800 jobs will be lost in the newspaper industry before that review is published. What immediate practical steps will the Secretary of State consider, before more newspapers are closed and more jobs lost?

Andy Burnham: I am not sure whether the hon. Gentleman is making a spending commitment and suggesting that there should be a subsidy. If he is accusing us of not acting quickly enough, I should tell him that we put in train the "Digital Britain" review precisely to take a quick but nevertheless detailed look at the range of issues affecting the media industry across the board and to come back with firm recommendations by the summer. That represents a pretty focused piece of work and I encourage him to engage in the process. It is not necessarily just funding; it may be regulatory change or looking at new ways of providing services, but in this case he cannot accuse us of being behind the curve. I told the House at our last Question Time that I had decided to raise the issue up the Department's agenda, having met the Society of Editors, and I remain absolutely committed to making sure we get solutions that the newspaper industry can work with.

Community Radio

3. **Sir Alan Beith** (Berwick-upon-Tweed) (LD): What recent assessment he has made of the long-term financial viability of community radio serving smaller communities. [259228]

The Secretary of State for Culture, Media and Sport (Andy Burnham): As set out in the interim "Digital Britain" report, we have appointed John Myers to consider the sustainability of local content on radio. The review, which will report by the end of March, will consider both the commercial and community radio sectors.

Sir Alan Beith: Does the Secretary of State realise how difficult it is in small communities of populations up to 20,000, as in the Alnwick area served by the popular Lionheart radio, to raise funding from small business and local advertising? It will get even more difficult during the recession, so what ideas is he putting to the review as the Government's view of how we can have a sustainable future for community radio?

Andy Burnham: I am aware of the community radio service that the right hon. Gentleman mentions and I think it particularly focuses on younger people, which is

very welcome. As part of the review that I just mentioned, the rules under which community radio operates are being considered, so we want to look at those things together. I think that he would acknowledge that community radio is still in many ways a fledgling industry—it is only a few years since the first station started—but it is developing and growing. We already have established radio stations that provide an excellent service to their community and we want to work pragmatically to ensure not only that community radio can continue to develop but, with one eye on the rest of the media industry, that it does not threaten the development of commercial services.

Mr. David Drew (Stroud) (Lab/Co-op): Will my right hon. Friend look at the issue of grant finance? The grant finance introduced at the start of my community radio station, Stroud FM, was absolutely crucial, but there is an issue about how that grant finance can continue over time, because of course all the people running the station are volunteers. Does my right hon. Friend accept the importance of the grant regime and will he look at it to see whether there are ways in which we can expand it and make slightly different use of it?

Andy Burnham: I certainly endorse the importance of those points. The money that DCMS has made available has helped to develop community radio, although I acknowledge that the more community radio stations there are, the more thinly the money has to be spread, so I take on board the general point that my hon. Friend makes. We can look at the issue again, but in the long term community radio also needs the unlocking of sources of funding at local level. I promise my hon. Friend that I will look at both those things together. Having been involved at the very beginning, when the first White Paper came along suggesting community radio as a good development, I am very committed to it and I want to work with the community radio sector to develop services around the country.

Mr. Nicholas Soames (Mid-Sussex) (Con): The Secretary of State is right in saying that community radio is a fledgling industry, but is he aware that the services provided by those stations are incredibly important and popular? As it is a new industry, will he remove the dead hand of government from the regulatory consultation he is going through and let those stations flourish and deliver to local people the kind of local service they are beginning to miss?

Andy Burnham: A moment ago, I was being asked for more of the dead hand of government to help the stations along their way, so the hon. Gentleman needs to acknowledge—as I think he did—that the sector is at a very early stage of development and we have to get the process right and think it through at every stage. The other point is that there is pressure on the commercial media industry at local level, as we were just discussing, so in relaxing any rules that affect community radio we have to be aware of the knock-on effect that that might have on commercial radio or even local newspapers if everybody is competing for a smaller ad spend locally, but I hear the point that the hon. Gentleman makes. I have visited lots of community radio stations and they do a skilful job locally, but we need to take things forward carefully.

Mr. Edward Vaizey (Wantage) (Con): Given that 40 per cent. of local radio stations—probably more now—are losing money, is it not time that the Government stopped dithering and came forward with clear proposals, not just on local programming, but on co-location, media ownership and digital switchover? We need legislation and proposals not in a few months' time but now, so that local, community and commercial radio can survive, if not thrive.

Andy Burnham: I am not sure what I can say; I am not sure what point the hon. Gentleman is making. There could not be a more focused process than the "Digital Britain" process, overseen by Lord Carter. It was precisely because of that issue that the Prime Minister appointed Lord Carter to conduct that detailed piece of work, which looks at the content industry and at infrastructure—and I did not hear any calls for that from the Opposition at the time. We will have the final recommendations in the spring, or perhaps—

Mr. Vaizey: When?

Andy Burnham: I will not give a firm commitment, but it will be well before the summer recess. Unless the hon. Gentleman has alternative proposals to feed in, or unless he is clear about what needs to be done, he should say that we are right to conduct that process. We will bring forward our proposals shortly.

Free Swimming Schemes

4. **Derek Wyatt** (Sittingbourne and Sheppey) (Lab): What plans he has to assist local authorities to participate in his Department's free swimming schemes. [259230]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): We have already made available £10 million of capital funding for pool modernisation for those local authorities that have chosen to participate in both elements of the Government's free swimming programme, and by way of revenue funding. Those local authorities have also been encouraged to apply for a further share of the £50 million capital. We are putting in place a national network of county swimming co-ordinators, who will offer expert advice and support to all participating local authorities and pool operators. That will help them to identify and deliver on priorities, such as reaching out to deprived areas and vulnerable groups. There will also be a "learn to swim" package, which will enable participating local authorities to target free swimming lessons at particular groups.

Derek Wyatt: I thank my hon. Friend for that. In my constituency, 41 per cent. of the population are either over 60 or under 16. After making a freedom of information request, I found out that the local authority was not prepared to spend a mere £3,000 to allow free swimming. We have missed the boat this time; could he suggest a second way in, so that we could go back to the authorities and say that, for £3,000, they ought to come into the scheme?

Mr. Sutcliffe: I know that my hon. Friend has done a lot of work to try to promote the idea of free swimming. I am shocked and saddened that for the sake of £3,000 his local authority was not prepared to offer free swimming

to the over-60s in his area. It is mostly Labour authorities that have successfully implemented free swimming. We will make sure that his local authority is considered in the next round.

Mr. James Gray (North Wiltshire) (Con): The Minister will, I know, accept that all local authorities would love to provide free swimming for the over-60s and the under-16s, but the fact is that when a local authority is as badly funded as Wiltshire, it is extremely difficult to do so. Will he stand by his pledge to provide free swimming for everyone by 2012? Will he achieve that?

Mr. Sutcliffe: We have said that we wanted free swimming first for the over-60s, then for the under-16s. That idea came from local government—from areas such as Wigan and Durham, which introduced free swimming. At one time, only 40 local authorities—usually Labour authorities—provided free swimming. Now 290 local authorities—82 per cent. of them—provide free swimming for the over-60s. They are working with local partnerships, local primary care trusts and other organisations. I am sad to say that, on occasion, some local authorities—they are usually politically motivated—have not put forward plans, although it could have been to the benefit of everybody if they had done so.

Sport (Young People)

5. **Mr. Jim Cunningham** (Coventry, South) (Lab): What recent steps the Government have taken to encourage young people to participate in sport outside school activities. [259231]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): We will offer five hours of high-quality physical education and sport per week to every child who wants it. Nine out of 10 children now participate in two hours of PE and sport in school, but schools alone cannot deliver the full five hours, so through our PE and sport strategy for young people we are providing diverse sporting opportunities in a range of community settings. We are building links between clubs and schools, providing opportunities for young people to lead and volunteer in sport, and recruiting more coaches, to be deployed in school and community settings. That is being done through Sport Unlimited. We have also delivered exciting and non-traditional sports in a range of settings to over 80,000 children since September 2008.

Mr. Cunningham: I thank my hon. Friend for that answer, but can he say what he is actually doing to encourage schools to open after hours, and particularly to get children from poorer families to participate in sport? The situation is not uniform up and down the country; some kids go without sports. I remind my hon. Friend that the Opposition did immense damage to sport in school when they were in power.

Mr. Sutcliffe: I commend my hon. Friend for his work in Coventry on promoting sport and its values. We are pleased with the number of people who are given the two-hour offer, and we want to try to get to hard-to-reach groups, which usually include girls and people with disabilities. We must work with sporting clubs and sport governing bodies to ensure that the offer is given to them. That is why we will target those hard-to-reach groups through the funding from Sport England. As I said, we are already improving the two-hour offer to five hours by working with the Youth Sport Trust, so that there are great sporting opportunities. I believe that the whole House would accept that that is a massive improvement on the situation that existed before, when competition in schools was virtually nil.

Christopher Fraser (South-West Norfolk) (Con): Given that 4 million men and only 2.8 million women regularly participate in sport, what more can be done to bridge that gap?

Mr. Sutcliffe: I am grateful to the hon. Gentleman for raising that point. That is an immense challenge, and we can meet it in many ways. We are focusing on particular policies through Sport England, the Youth Sport Trust and UK Sport, but there must also be a culture change, with role models among women sports personalities being portrayed in schools or communities throughout the country, so that people can see how good they are. That will inspire young girls in particular. We know that there is a drop-off rate among girls, particularly at 16, and we want to ensure through our programmes that we challenge those statistics, and that women's and girls' sport is improved.

Mr. Richard Caborn (Sheffield, Central) (Lab): I congratulate my hon. Friend on the fantastic job that he is doing on this matter. It is a far cry from what we inherited in 1997—*[Interruption.]*—when less than 20 per cent. of the kids in our schools were getting two hours of sport. We have increased that to 90 per cent., which means that there is 3 million hours a week more sport in our schools. As my hon. Friend the Minister says, we are going to build on that. We have stopped the rot of the previous Administration, and we are building for our schools and youngsters of the future.

Mr. Sutcliffe: I agree with my right hon. Friend. If it were not for his hard work as Sports Minister to undo the rot left by the Conservatives, we would not be in the position that we are in today. We now have a sound foundation of sporting infrastructure to build on, so that we can reach those difficult groups.

Mr. Don Foster (Bath) (LD): Following the self-congratulation, will the Minister acknowledge that having community sport for hard-to-reach and other young people requires at least some funding? Does he recall that, in 2000, the then Prime Minister made a wonderful announcement—the Government are good at announcements—of £750 million for school and community sport? That money was meant to be spent by 2003. Will he explain why, six years later, £75 million of it has still not been spent? With 3.6 million young people not meeting the recommended target for activity, were there not a lot of good uses for it?

Mr. Sutcliffe: I do not accept the hon. Gentleman's criticism. He should be congratulating the Government on the amount of money that has been spent on school sport and its infrastructure. He will know that we have 470 sports colleges, 450 school sport partnerships, 226 competition managers and the best infrastructure for sport in schools that there has ever been. We should not be criticised; we should be congratulated.

Regional Theatres

6. **Rob Marris** (Wolverhampton, South-West) (Lab): What progress his Department has made on audience development schemes for regional theatres. [259232]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Barbara Follett): Audience development is a core objective of Arts Council England. That is why, earlier this month, it launched its "A Night Less Ordinary" scheme to give 618,000 free theatre tickets to people aged under 26 over the next two years. Arts Council England's projected spend on theatres is £318 million during this spending review period, an increase of 8 per cent. on the previous period.

Rob Marris: I congratulate the Government on that excellent scheme, because a visit to the theatre can be life-changing. In my region, the west midlands, we are blessed with many outstanding theatres, including the Royal Shakespeare Company at Stratford-on-Avon. Unfortunately, the excellent Grand theatre in Wolverhampton does not seem to be participating in the free ticket scheme. Will my hon. Friend reconsider the participation of the Grand theatre?

Barbara Follett: The Grand theatre in Wolverhampton was not in the final choice that Arts Council England made from an extraordinarily strong field of candidates—so strong, in fact, that it issued more awards than it had originally planned. The Drum, the Repertory and the Hippodrome theatres, along with the RSC in Stratford, are involved in the scheme, and I hope that young people in my hon. Friend's constituency can benefit from that opportunity.

Mr. Andrew Pelling (Croydon, Central) (Ind): Promoting regional theatres is also important for economic development and regeneration. Unfortunately, in Croydon, which suffers from such challenges, arts funding has declined in terms of council support for the Fairfield halls and the Warehouse theatre. Can the Minister give any advice on trying to tackle the decline in the arts and arts funding in the London borough of Croydon?

Barbara Follett: In fact, arts funding nationally has risen, but I understand what the hon. Gentleman is saying about Croydon, and I would be very happy to meet him to discuss that in detail and see what can be done to help.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my hon. Friend agree that, if we are to boost regional theatre audiences, we need more confidence in the regions? We have already got rid of the regional activity of libraries and museums, and we now seem to be running down the Arts Council. When will she support the Arts Council's regional work more vigorously?

Barbara Follett: I assure my hon. Friend that, as I am a regional Minister, the regions and particularly arts activities in the regions are extremely close to my heart. They are not being run down; they are being reorganised and, I hope, strengthened.

Broadcast Media (Disabled People)

7. **Paul Flynn** (Newport, West) (Lab): What steps he plans to take to extend the accessibility to disabled people of broadcast media. [259233]

The Secretary of State for Culture, Media and Sport (Andy Burnham): The Communications Act 2003 sets minimum targets for subtitling, signing and audio description on television and places a duty on Ofcom to ensure that those requirements are met. Ofcom will undertake a review of television access services this year, and we will await the conclusions of that review.

Paul Flynn: Does my right hon. Friend agree that modern technology has been an immense boon to millions of people who have disabilities, by extending their horizons and enriching their lives? Is it not good to see many people with disabilities presenting television programmes, and the facilities provided by audio description which allows television programmes to be fully comprehensible to the 2 million people in this country who are partially sighted or blind? The companies are obliged to put text on 80 per cent. of their programmes, but only 10 per cent. of them are audio described at the moment. Should we not double that before the digital changeover happens?

Andy Burnham: I agree entirely about the power that digital television brings. Last year, we changed the core receiver requirements under the digital switchover help scheme to give single-button access to audio description services, and we are looking at this all the time to see how we can go further. My hon. Friend and I attended a reception in the House with the Royal National Institute of Blind People, which is campaigning to go further on audio description targets. As I said, Ofcom is looking at the issue, so I will have to wait for its review, but he may know that Sky announced last week that, from the beginning of this month, it will voluntarily double its target to 20 per cent. I should like other broadcasters to follow that lead and voluntarily and independently increase the amount of audio description, but we will follow through with Ofcom and come back to the issue later in the year.

Mark Pritchard (The Wrekin) (Con): Despite the deliberations of the hon. Member for Newport, West (Paul Flynn) on his blog, I should like to put on record my support for his comment today about audio description. Indeed, may I encourage the Secretary of State to convey the cross-party consensus in the House to Ofcom to ensure that the 3,000 people who are either blind or visually impaired in Shropshire, and, indeed, those throughout the country, benefit from audio description when the digital switchover takes place?

Andy Burnham: I certainly welcome what the hon. Gentleman says, and I think that he is right to raise the issue. There has been cross-party support for the early-day motion that has been tabled on the subject. Of course, that must be balanced against some of the very real pressures that the media industry is facing, and we have been discussing some of those issues today. We all want to go further, but in a sustainable way. That is the key issue that Ofcom is addressing, but the hon. Gentleman should have no doubt about my intention to keep a close eye on the issue and to make progress where we can.

Alun Michael (Cardiff, South and Penarth) (Lab/Co-op): May I congratulate my right hon. Friend on the initiative that he personally has taken in accelerating the work on audio description? The current window of opportunity in respect of digital switchover or analogue switch-off is enormously important for people with visual impairment. Will my right hon. Friend do all he can to publicise that, and to persuade television companies that there is an audience out there who, as a result of this process, will be able to benefit from our maximising the number of programmes that have audio description, along the lines of the plea, to which I know he is sympathetic, made by the RNIB?

Andy Burnham: May I pay tribute to my right hon. Friend for his work on this issue? He has been a determined campaigner on these matters since I took on this job, and some of the progress we have made is in many ways down to his determination. He makes a very good point about these services being attractive more generally to television viewers, and I think Sky's decision last week can be seen in that light. We would all like to go further, and my right hon. Friend is right to say that when nearly everyone is talking about a particular television programme, it is very excluding for certain sections of the community if they cannot join in that conversation in the pub or at work, or wherever. These are important matters, therefore, as they are about having a society in which everyone is involved and about enabling everyone to play a full part in the cultural life of the nation. That is something I want to do in my job and, as I said a few moments ago, we want to go further, but we will do so when we hear Ofcom's advice.

Licensing

8. **Mr. Adrian Sanders** (Torbay) (LD): What assessment he has made of the effect of the administrative burden of the licensing applications procedures under the Licensing Act 2003 on small businesses applying for such licences. [259234]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): The Licensing Act has resulted in a considerable reduction in red tape. Administrative savings are estimated at £99 million per annum, with benefits not just for business but for the third sector and non-profit-making clubs. Although we do not have specific data on the impact on small businesses, they represent the majority of applicants and will thus be major beneficiaries of these savings.

Mr. Sanders: I recently met licensees from my constituency and, almost to a man and woman, they complained about the amount of bureaucracy that the Act has introduced. Does the Minister have any plans to review the whole licensing process in order to reduce the amount of bureaucracy that small business people are facing?

Mr. Sutcliffe: We are always looking at what we can do to reduce bureaucracy, and the DCMS has a proud record of reducing it across the piece. There is an issue for pubs, however, and I know the hon. Gentleman cares about that as he is a member of the all-party beer group and signed an early-day motion on the issues raised. He will be pleased to learn that the Government are providing real help for businesses, and particularly for pubs that are tied houses. We have made sure that the enterprise finance guarantee scheme, whereby 75 per cent. of the loan is met by the Government, will be applied to tied houses so that such pubs can benefit from real help from the Government and banks. There are a number of other measures: we are supporting organisations such as CAMRA—the Campaign for Real Ale—and making sure we take steps to ensure that pubs are an integral part of our communities.

Mr. Tobias Ellwood (Bournemouth, East) (Con): The hon. Gentleman mentions the Licensing Act. Mr. Speaker, I do not know whether your drinking habits have changed over the past 10 years, but that is certainly the case for a growing minority of younger Britons. A decade ago, the Government promised a renaissance in the approach to licensing and responsible drinking: town centres would be tamed, binge drinkers would be brought to heel, and councils would be empowered to create the so-called new café culture of Britain. The reality could not be further from that. Does the Minister agree with the Opposition and with recent reports which show that since 1997 teenage lawlessness has increased by 300 per cent., one in three girls now admits to binge drinking and there is a 30 per cent. increase in alcohol-related obesity? All this proves that, under this Government, binge drinking is slowly becoming the norm. Labour is giving Britain a beer belly and a worrying taste for alcohol-fuelled antisocial behaviour.

Mr. Sutcliffe: It would help if the hon. Gentleman did his research, as we all know that Mr. Speaker is, in fact, a teetotaller. I certainly do not recognise the picture the hon. Gentleman paints. The Licensing Act gives people the opportunity to have a drink at the time they choose, with local government and the police being able to make sure that is properly monitored. Also, most of the licensee trade supported the principles of the Act.

Topical Questions

T1. [259248] **Lynda Waltho** (Stourbridge) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Culture, Media and Sport (Andy Burnham): I am sure the whole House will wish to join me in congratulating Kate Winslet, Danny Boyle, Simon Chinn and all those in the British film industry whose exceptional talent was rewarded at the Oscars a week ago.

Last week, I announced a new partnership between UK Sport, the London Organising Committee of the Olympic Games and Paralympic Games and the British Olympic Association, fulfilling the Prime Minister's wish for a private sector fundraising drive to supplement the unprecedented public support for our elite athletes as they prepare for the London 2012 games and subsequent Olympic and Paralympic games. Next week, we will announce our conclusions following the Government's consultation on implementing the European Union audiovisual media services directive.

Lynda Waltho: My right hon. Friend will be aware of the world-renowned Stourbridge glass collection, based at Broadfield House in Dudley, but he might not be aware that at a meeting tonight, the Tory council will

propose the disposal of the site. What can he do to protect this national treasure and my constituents from the philistines who run the council and threaten our black country heritage?

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Barbara Follett): As my hon. Friend will know, museums are a discretionary local authority service and their funding is a matter for democratically elected councillors—although in this case the local people may wish to hold them to account. That said, I am keeping a close watch on the situation, and I am glad that my hon. Friend has met the Museums, Libraries and Archives Council and that it is working closely with Dudley metropolitan borough council on the relocation of the Stourbridge glass collection to the Red House Glass Cone trust.

T3. [259250] **Mr. Mark Lancaster** (North-East Milton Keynes) (Con): I am sure that the whole House shares the Secretary of State's vision for a digital Britain, but may I draw his attention to the specific problems that Milton Keynes has with broadband? The area is suffering from being at the cutting edge of 1970s technology: our copper wires mean that broadband speeds are incredibly slow and that some areas get no broadband at all. Will he get his officials to look into this specific problem for the city and write to me with his potential solution?

Andy Burnham: I shall certainly draw the hon. Gentleman's remarks to the attention of Lord Carter. I am sure that we can examine the particular local issues that his area faces as part of the "Digital Britain" work—I shall do so and I shall write to him.

T6. [259253] **Mr. Virendra Sharma** (Ealing, Southall) (Lab): Will the Minister update the House on the expected benefits of the 2012 London Olympics for my constituency, the London borough of Ealing and west London in general?

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): We are hoping that the whole country, including my hon. Friend's constituency, will benefit from the impact of the games in London in 2012. He will know that not only will the east end of London be regenerated, but there will be an opportunity for sports and the legacy of sport to be available to all our constituents. I hope that he and other colleagues in the House will ensure that all our constituencies fight to ensure that benefits of the Olympics are seen not only in London—as we know they will be—but throughout the UK.

T4. [259251] **Tom Brake** (Carshalton and Wallington) (LD): In 2005, the Government launched a £6 million quality and innovation fund, the purpose of which was to provide subsidised theatre tickets and to involve young people in the arts. Can the Secretary of State say why that was cancelled and whether the cancellation was linked in any way to the much smaller fund of £2.5 million available for free theatre tickets?

Barbara Follett: In response to the last part of the hon. Gentleman's question, no it was not. The fund was cancelled in 2005-06 because of other Government priorities, but we have used the cancellation to reprioritise and to put money into things such as the Find Your Talent scheme.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): Is my hon. Friend aware that because of recent grant aid to two theatres just outside my constituency, young people there now pay much reduced prices to go to the theatre? Is she aware that Thornton little theatre invited young people in over half term with reduced tickets and the splendid Grand theatre in Blackpool invites young people in not only as members of the audience but as performers? Will she monitor this excellent scheme and ensure that as many young people as possible can go to the theatre and enjoy themselves?

Barbara Follett: I am really glad to hear from my hon. Friend about the success of this scheme in Blackpool. I know that the Blackpool Grand is doing excellent work, and in fact it is staging a free burlesque show for all under-26-year-olds tonight. I know too that it is my hon. Friend's birthday tomorrow, and I am only sorry that she and I are not young enough to benefit from that very good scheme.

T5. [259252] **Mr. Desmond Swayne** (New Forest, West) (Con): What are Ministers going to do to rescue small sports clubs from the disaster of the Licensing Act 2003, which has meant their licensing fees go up from £25 to the best part of £1,000?

Mr. Sutcliffe: I do not accept what the hon. Gentleman says. Small sports clubs benefit from CASC—community and amateur sports clubs—status and a variety of Government schemes. If he wishes to give me a specific example, I would be happy to meet or correspond with him about it.

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): When my hon. Friend next meets the Film Council, will she urge it to promote lower budget British and European films over US blockbusters as that will both increase the number of film crews employed and ensure reciprocity so that British film crews have the same opportunities to work as American crews enjoy here?

Barbara Follett: As my hon. Friend knows, the Government provide support for UK film makers through the UK Film Council's lottery-backed funding schemes, such as the new cinema fund and the development fund. However, I would be happy to meet him to discuss possible new support mechanisms for smaller films as I agree with him about the dominance of the blockbusters.

T7. [259254] **Mr. Mark Harper** (Forest of Dean) (Con): May I take the Secretary of State back to his answer to the hon. Member for Newport, West (Paul Flynn)? I too welcome the access services review that Ofcom is undertaking. He will be aware that the new chairman of Ofcom, in her evidence to the Select Committee, said that improving accessibility would be one of Ofcom's top three priorities. When Ofcom has completed its review and if any of its recommendations to improve accessibility require legislation, will he commit to taking steps at the earliest opportunity to bring that legislation before the House?

Andy Burnham: That is a very good question, and I will give that commitment, subject obviously to other pressures on the timetable. We would want to bring it forward as soon as possible. Indeed, why wait for legislation? Sky took action independently and unilaterally last week. Even though times are difficult, other broadcasters could go further voluntarily, and I would urge them to do so. They have established audio description services now, and they could be extended without the need to wait for legislation. I hope that others will follow the lead that has been set.

Derek Twigg (Halton) (Lab): Is my right hon. Friend aware of the disgraceful situation that has arisen around the Everton-Stoke City match, which was due to be played on 14 March? Because of a British National party rally and leafleting campaign, the match was moved back 24 hours, and then moved back again after the BNP cancelled the rally.

Andy Burnham: I should perhaps declare an interest as one of those who would have been affected. I am glad that my hon. Friend has raised the issue, because we faced the prospect of 30,000 Everton and Stoke supporters being left out of pocket or at least seriously inconvenienced by that change. Football supporters get messed around enough by the timetabling of the fixture list, without political parties adding to the problems. Merseyside police advised the BNP of the clash and asked it to reschedule its march. It was a disgrace that the BNP did not do so, and it proves what a shower its members are that it rescheduled only after media pressure last weekend. Football supporters should know where the BNP stands in relation to the interests of football supporters. I am glad that we managed to resolve this particular situation, but I want the Association of Chief Police Officers to issue guidance to political parties to the effect that they should always avoid holding major events with policing implications on days for which football fans have already bought tickets for long-standing fixtures.

T9. [259316] **Philip Davies** (Shipley) (Con): The Minister responsible for gambling will know that companies such as Ladbrokes and Betfair are trying to access European markets and break down state monopolies in some EU countries. Surely if the single market is to mean anything at all, British businesses should be able to access those European markets. Will the Minister explain what he will do to help those businesses to access those markets?

Mr. Sutcliffe: The hon. Gentleman is a member of the all-party racing group and is well versed in these issues. He knows that we have been talking to Ladbrokes, Betfair and other betting companies about how to access foreign markets, and the European markets in particular. We continue to work with Governments in Europe to try to put the pressure on. Obviously, when the European treaty is ratified, there will be an opportunity to open up the market.

Mr. David Clelland (Tyne Bridge) (Lab): At the beginning of the Olympics process, we were given assurances that the benefits—not least the economic benefits—would spread across all regions. Will my hon. Friend publish a list of companies in the north-east of England that have so far won contracts for the Olympics project and the total value of those contracts?

Mr. Sutcliffe: My right hon. Friend the Minister for the Olympics has made sure that there is transparency in all these things, including the openness of contracts. A list will be published shortly. We are keen to make sure that for the whole of the UK not only are there contractual benefits for businesses, but that people from my hon. Friend's constituency, for example, will be able to volunteer, and hopefully some athletes from his constituency will be in the Olympic games. We want to make sure that, although the games are important for London, they are successful for the whole of the UK.

OLYMPICS

The Minister for the Olympics was asked—

International Inspiration Programme

1. **Kerry McCarthy** (Bristol, East) (Lab): What role the International Inspiration programme will play in delivering the London 2012 Olympics programme objective to promote sport excellence and participation in other countries. [259256]

The Minister for the Olympics (Tessa Jowell): International Inspiration is a promise that we made in Singapore when we won the right to host the 2012 games. The purpose of the programme is to ensure that a generation of young people are inspired through sport in developing countries around the world. The programme is already operating in five countries. Soon that number will be eight and it will increase. I take this opportunity to thank our partners in the programme—the British Council, UNICEF, the premier league, UK Sport and the Department for International Development—for their contributions.

Kerry McCarthy: I was recently in Zambia, where I visited a boys school in Lusaka which is part of the International Inspiration programme. We were impressed on that visit to see just how engaged the young people were in sport. One of the things that particularly impressed me was the fact that children with disabilities in the school were as involved as the more able bodied children. Is that part of the International Inspiration programme, and what can we do to support it?

Tessa Jowell: I thank my hon. Friend for her question and for her visit to the programme in Lusaka. I can assure her that in International Inspiration right across the world, disabled children are equal participants with children who do not have disabilities. Given that the focus of the Zambia programme is the reduction of HIV/AIDS, I hope my hon. Friend may look at the opportunities for twinning between organisations and schools in her constituency and the International Inspiration programme.

Sir Patrick Cormack (South Staffordshire) (Con): Is the Minister aware that those of us who remember the 1948 games—the last London Olympics—which were run on a shoestring, remember them because they were an international inspiration programme? Sport was first, second and last, and money was very much further down the list. There is a fear that the London Olympics are so costly and the focus is so much on money that sport will take a back seat.

Tessa Jowell: I can assure the hon. Gentleman that our objective is to ensure that these are the greatest Olympic games ever, as a sporting event, a cultural event and a paralympic event. Of course, it is also important to make sure that the regeneration objectives in east London are met. Of every pound being spent on developing the Olympic park, 75p is being spent on regeneration. The games will be good value for money, a great national party and an opportunity to celebrate the success of our athletes and para-athletes.

Legacy (Essex)

2. **Mr. Simon Burns** (West Chelmsford) (Con): What legacy effect she expects the holding of London 2012 Olympics events in Essex to have on levels of participation in sport in Essex. [259257]

Tessa Jowell: The Government have the big ambition of making sure that the opportunity of the Olympics inspires 2 million people to be more active by 2012. In the case of 1 million of those, that will be through sport. Our investments are already making a difference in Essex, as I am sure the hon. Gentleman knows, with an increase in participation between 2005 and 2007-08 that is ahead of the national increase in participation. In addition, Essex will have the opportunity to motivate its residents by using the significant hosting role of the Olympic mountain biking event at Hadleigh Farm as a way of making sure that even more people get active.

Mr. Burns: There is growing concern in my constituency that there will not be much of a legacy in Chelmsford. Will the Minister come to my constituency so that she can explain to my constituents what legacy the 2012 Olympics will be in Chelmsford?

Tessa Jowell: The legacy can be achieved in several ways. First, there is the significant number—more than 60—of training camps in the eastern region; secondly, the hon. Gentleman can make sure that he encourages businesses of all sizes in Chelmsford to bid for the contracts that will be let through the CompeteFor network as part of the Olympics. Furthermore, his constituents could put themselves forward as volunteers, and it could be ensured that the tourism benefits are maximised. Perhaps the hon. Gentleman could also persuade Essex county council to be rather more enthusiastic about free swimming than it has been to date.

David Taylor (North-West Leicestershire) (Lab/Co-op): Will the Minister care to deny the scurrilous rumours that, to encourage the people of Essex to be more involved, it is intended that the sports of putting the medallion and throwing the white high heels should be included?

Tessa Jowell: I completely, utterly and comprehensively do not recognise an Olympic event there.

Tom Brake (Carshalton and Wallington) (LD): Will the Minister acknowledge that, apart from the free swimming initiative in which many local authorities in Essex have chosen not to participate, there are very few up-and-running projects that will secure people's active participation in exercise? Furthermore, the lack of a logo that could be used to publicise events linked to the Olympics remains a hindrance. Have we started early or left it too late to meet the target of 2 million extra active people by 2012?

Tessa Jowell: I absolutely do not accept the hon. Gentleman's pessimistic view. As he will know, the Inspire mark can be earned by organisations that have demonstrably achieved in relation to Olympic goals; he might like to encourage the sports clubs in his constituency to do that. He could also take the time and trouble to talk to the governing bodies across the board about the generally impressive efforts that they are making, not just to see their sportsmen and women compete and succeed at the highest level, but to get more and more people participating in sport—rowing, cycling, sailing, athletics; I could go on. Perhaps the hon. Gentleman could focus his questions on the basis of a knowledge and understanding of what is actually going on, rather than promoting this climate of pessimism.

Hugh Robertson (Faversham and Mid-Kent) (Con): Essex is one of the counties that has been making representations about the cost of policing venues external to London. I appreciate why the Department has not been able to answer questions on the issue until now, but given that the security plan was published at the end of last week, is the Minister now in a position to confirm whether the £600 million inside the main Olympic budget earmarked for security will cover the cost of policing venues external to London?

Tessa Jowell: As we made clear last week when the Home Office published the security plan, it is our expectation that the funds reserved for security—£600 million plus an allowance for contingency, as the hon. Gentleman knows—will be sufficient. However, the hon. Gentleman has received a briefing on the issue; for reasons that he will understand, the detailed costing of individual elements of the security programme will be developed over time, taking full account of the threat level at the appropriate time.

Legacy

3. **Andrew Miller** (Ellesmere Port and Neston) (Lab): What progress has been made on plans for the legacy of the London 2012 Olympic games; and if she will make a statement. [259258]

The Minister for the Olympics (Tessa Jowell): We are making very good progress on the implementation of plans for the legacy of the London 2012 games. We recently provided Parliament with an update on the progress and future plans in the annual report on the London 2012 Olympic and Paralympic games. That was published on 5 February. The nature of the priorities for the Olympic legacy will vary across the regions of the UK, and it is important that those regional preferences are properly reflected. As I said, the Government have the big ambition of using the motivational power of the Olympics to inspire 2 million more people to be active by 2012, 1 million of them through sport.

Andrew Miller: I totally agree with my right hon. Friend's sentiments. Will she ensure that everything possible is done to support groups such as West Cheshire athletic club, which has an Olympic-standard track

along with associated facilities? It is vital that the hard work done by volunteers and organisers to develop the club and support new young athletes is protected well after 2012.

Tessa Jowell: I thank my hon. Friend and recognise the part that he has played in getting that excellent facility for his constituents. I understand that there is some anxiety about the consequence of local government reorganisation. I hope that the new authority will honour all the commitments that have already been given, especially in recognition of the important role that local authorities up and down the country have to play in ensuring that 2 million more people are physically active and taking part in sport.

Jo Swinson (East Dunbartonshire) (LD): The Minister will know that research from the Women's Sport and Fitness Foundation has shown that fewer women than men are involved in sport at all levels, whether as participants, coaches or officials. What plans does she have to use the London 2012 Olympics to ensure that the legacy tackles the problem of women's under-participation in sport?

Tessa Jowell: That can be done in very many ways, starting with the school sport programme, where ways of engaging girls, in particular, are very much a focus, using dance, aerobics and so forth—the kinds of physical activity that are more likely to be attractive to girls. We must then seek to address the other barriers to girls' participation, whether they are to do with gender, ethnicity or religion. We must then ensure, at the very top of sport, that women have equal chances with men—and, in some cases, men have equal chances with women—to take part in Olympic events. Let us take cycling as an example: Victoria Pendleton should have the opportunity to compete in as many events where she has the potential to win a gold medal as possible, as should male colleagues.

Anne Snelgrove (South Swindon) (Lab): Does my right hon. Friend share my concern that the south-west region may not be as successful as other regions in attracting Olympic sports? Will she therefore agree to meet me to discuss the legacy and how we can improve that for the south-west?

Tessa Jowell: I would be absolutely delighted to meet my hon. Friend. I hope that she is reassured by the excellent work that is being done by the nations and regions group in the south-west through the marketing of training camps, the promotion of participating and volunteering. That will ensure that the economic benefits flow to the south-west, as they should. However, I would be delighted to meet her to ensure that even more is achieved.

Point of Order

3.38 pm

Mr. Nicholas Soames (Mid-Sussex) (Con): On a point of order, Mr. Speaker. I am sorry to trouble you on this matter, but from time to time I have had cause to raise this with you. Are you aware of the increasingly dilatory nature of the time taken by Ministers to send ministerial replies? That is discourteous not only to their colleagues but, much more importantly, to our constituents, who have every expectation of receiving a prompt reply to the matters that they raise. May I ask you again to raise with Ministers, when you have a chance, the need to reply promptly at all times to colleagues' correspondence?

Mr. Speaker: I take the hon. Gentleman's point that Ministers should reply in a prompt and full manner. I meet the Government Chief Whip on a regular basis, and I will take this up with him promptly.

Political Parties and Elections Bill

[Relevant documents: the First Report from the Constitutional Affairs Committee, Session 2006-07, Party Funding, HC 163 and the Government's response, Cm 7123.]

[2ND ALLOCATED DAY]

Further consideration of Bill, as amended in the Public Bill Committee

New Clause 19

INCREASED THRESHOLDS IN RELATION TO DONATIONS ETC

'(1) In the following provisions of the 2000 Act, for "£200" there is substituted "£500"—

section 52(2)(b);
section 54(4)(b) and (6)(b);
section 71F(12)(b);
in Schedule 7, paragraphs 4(3)(b) and 6(2) and (4)(b);
in Schedule 7A, paragraph 2(4)(b);
in Schedule 11, paragraphs 4(2) and 6(4) and (6)(b);
in Schedule 15, paragraphs 4(2) and 6(5) and (7)(b).

(2) In the following provisions of the 2000 Act, for "£1,000" there is substituted "£1,500"—

section 62(6A)(a) and (b), (7)(b) and (11)(b);
section 71M(7)(a) and (b), (8)(b) and (11)(b);
in Schedule 7, paragraph 10(1A)(a) and (b) and (2)(b);
in Schedule 7A, paragraph 9(2)(a) and (b) and (7)(b).

(3) In the following provisions of the 2000 Act, for "£5,000" there is substituted "£7,500"—

section 62(4)(a) and (b), (5)(b) and (11)(b);
section 63(3);
section 71M(4)(a) and (b), (5)(b) and (11)(b);
section 71Q(3);
in Schedule 7, paragraph 10(1A)(a) and (b) and (2)(b);
in Schedule 7A, paragraph 9(2)(a) and (b) and (7)(b);
in Schedule 11, paragraph 10(2)(a);
in Schedule 15, paragraph 10(2)(a).'.—*(Mr. Wills.)*

Brought up, and read the First time.

3.39 pm

The Minister of State, Ministry of Justice (Mr. Michael Wills): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to discuss the following:

Amendments (a) to (c).

Government amendment 94.

Amendment 126, in clause 8, page 6, line 2, after '£5,000', insert 'plus an annual upwards-only indexation allowance'.

Government amendment 95.

Amendment 125, page 6, line 3, leave out '£1,000' and insert

'£3,000 plus an annual upwards-only indexation allowance'.

Government amendment 96.

Amendment 123, page 6, line 7, after '£5,000', insert 'plus an annual upwards-only indexation allowance'.

Amendment 122, page 6, line 12, leave out 'best of individuals' and insert 'individual's reasonable'.

Government amendment 97.

Amendment 127, page 6, line 18, after '£5,000', insert 'plus an annual upwards-only indexation allowance'.

Government amendment 98.

Amendment 124, page 6, line 35, leave out '£1,000' and insert

'£3,000 plus an annual upwards-only indexation allowance'.

Government amendment 99.

Amendment 121, page 6, line 38, at end insert—

'(6A) A person does not commit an offence if, in the reasonable opinion of the Commission, the person had no intention of making, or by innocent mistake made, a false declaration under this section'.

Amendment 8, in schedule 3, page 38, line 19, at end insert—

'Schedule 6 of the 2000 Act (details to be given in donation reports)

A1 (1) In paragraph 2 of Schedule 6 to the 2000 Act (details to be given in donation reports), after paragraph (b) of sub-paragraph (10), there is inserted—

"(c) the names and addresses of all the members of and donors donating £5,000 or more annually to the association.".

(2) In paragraph 2 of Schedule 6A to the 2000 Act (details to be given in transaction reports), after paragraph (b) of sub-paragraph (10), there is inserted—

"(c) the names and addresses of all members of and donors donating £5,000 or more annually to the association.".

(3) In paragraph 2A of Schedule 6A to the 2000 Act (details to be given in transaction reports), after paragraph (b) of sub-paragraph (11), there is inserted—

"(ba) the names and addresses of all the members of and donors donating £5,000 or more annually to the association;"".

Government amendment 100.

Amendment 128, in schedule 3, page 38, line 24, after '£5,000', insert 'plus an annual upwards-only indexation allowance'.

Government amendment 101.

Amendment 129, page 38, line 26, leave out '£1,000' and insert

'£3,000 plus an annual upwards-only indexation allowance'.

Government amendment 102.

Amendment 130, page 38, line 30, after '£5,000', insert 'plus an annual upwards-only indexation allowance'.

Government amendment 103.

Amendment 131, page 38, line 32, leave out '£1,000' and insert

'£3,000 plus an annual upwards-only indexation allowance'.

Government amendment 104.

Amendment 132, page 39, line 3, after '£5,000', insert 'plus an annual upwards-only indexation allowance'.

Government amendment 105.

Amendment 133, page 39, line 5, leave out '£1,000' and insert

'£3,000 plus an annual upwards-only indexation allowance'.

Government amendment 106.

Amendment 134, page 40, line 18, after '£5,000', insert 'plus an annual upwards-only indexation allowance'.

Government amendment 107.

Amendment 135, page 40, line 23, after '£5,000', insert 'plus an annual upwards-only indexation allowance'.

Government amendment 108.

Amendment 136, page 40, line 36, after '£5,000', insert 'plus an annual upwards-only indexation allowance'.

Government amendment 109.

Amendment 137, page 42, line 2, after '£5,000', insert 'plus an annual upwards-only indexation allowance'.

Government amendment 110.

Amendment 138, page 42, line 7, after '£5,000', insert 'plus an annual upwards-only indexation allowance'.

Government amendment 111.

Amendment 139, page 42, line 20, after '£5,000', insert 'plus an annual upwards-only indexation allowance'.

Mr. Wills: In line with the indication I gave in Committee, we have considered raising the recordable and reportable thresholds in view of the concerns expressed by parties about the burden of compliance with the Political Parties, Elections and Referendums Act 2000. As the House knows, the 2000 Act was a landmark piece of legislation that brought, for the first time, transparency to the sources of political funding. It has been a huge step forward for democracy and I am sure that all in the House agree that we are all the better for it, and that our democracy works better as a result.

However, we must also address legitimate concerns about the burden of reporting relatively small donations in the context of the public's interest in bigger political donations. We had a lot of discussion on this matter in Committee, and there is a balance to be struck. We have to act in a way that is transparent and accountable to the public whom we serve, but we must never forget that political activity in this country is largely carried out by volunteers—selfless people who give their time and effort to political parties across the House. Without them, none of us could function effectively in representing our constituents.

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): None of us would be here.

Mr. Wills: As my right hon. Friend says, without those volunteers, none of us would be here. We have to be careful about placing burdens on them, or about putting barriers in the way of their activity, which might discourage those selfless volunteers from giving their time and effort in the future. There is a balance to be struck.

When we considered this matter, we became convinced that it is the significant donations, either individually or in aggregate over time, that the public want to know more about, and it is right that they should. All parties agree that it is right that they should know more about such donations. If one looks at media reports on this subject, which are frequent and extensive, one certainly gets that impression. We have come to the conclusion that the levels for recording and reporting such relatively small donations impose a high burden of compliance

[Mr. Wills]

that is not matched by the transparency gained from recording and reporting them.

I should note in passing that the thresholds have not been changed since the 2000 Act. I am not suggesting that the changes that we are introducing are merely designed to take account of inflation—they are not—but some increase for that reason would be merited in any event.

Bob Spink (Castle Point) (Ind): The right hon. Gentleman must be cognisant of the level of public distrust that there is in this place, and particularly in political parties campaigning locally. An amount of £200 is not seen as an insignificant sum, and £500 is a considerable sum. Why is he pushing the matter so far? Why is a 250 per cent. increase proposed, which can only reduce transparency for local people? People in Castle Point want to know who is funding the Castle Point Tories and Castle Point Labour party. Those people may be developers or businesses; they may have a vested interest in what goes on in local government and in this place.

Mr. Wills: The hon. Gentleman has a great deal of experience in party politics, and he is part of the select group in this House who has had the distinction of belonging to two political parties here. Obviously, I listen with great attention to what he has to say on this question. He is right to draw attention to the importance of the issue and, implicitly in his remarks, I think that he accepts that a balance has to be struck. How do we strike that balance between accountability through transparency, which is essential, and taking account of the fact that parties—even the party to which he now belongs—are also dependent on the efforts of volunteers. How do we put measures in place that square that circle? How do we have accountability through transparency on the one hand and, on the other hand, not put unreasonable burdens on the volunteer armies that sustain our democracy?

3.45 pm

Bob Spink: I am delighted that the Minister has allowed me to intervene again in order to explain that I belong to no party. I am an independent, so I have no workers. I take no money whatever from any businesses, political parties or developers, or from anyone else, and I will deliver no favours to anyone after the election. If he thinks that those people give their hard-earned cash to political parties in order to return a particular candidate without expecting their pound of flesh at the end of the day, he probably believes in the tooth fairy as well.

Mr. Wills: I am grateful to the hon. Gentleman for his intervention and I am happy that he has put the record straight in the way that he has. However, I was saying that I thought that he had made an important point. Implicit in what he was saying was the need to strike a balance between transparency, which those in all parts of the House subscribe to as a fundamental principle in party funding, and not putting unreasonable burdens on the volunteer armies that sustain the activities of us all and on which our democracy depends. We have to strike that balance.

As I was saying, there has already been an increase since 2000 that would have been merited by inflation, but such an increase would not, on its own, account for the increases that we are suggesting. However, I want to stress one thing, before I deal with the substance of the amendments and the Government's response to the Opposition amendments. This Government are fundamentally committed to transparency. It is worth noting that the Bill before us makes important provisions to increase transparency. In particular, clause 8 and the Government amendments relating to unincorporated associations, which we will come to shortly, do a great deal to enhance transparency.

The increases in the thresholds in the 2000 Act should be considered in that context. We have proposed to increase the recordable threshold for recording donations, loans and other transactions from the current limit, of to donations of more than £200, to a new limit, of to donations of more than £500. As the House will know, the recordable threshold requires recipients to verify the permissibility of the donor and to keep their details.

Pete Wishart (Perth and North Perthshire) (SNP): The Minister is proposing to increase what is permissible by 150 per cent. Has he taken into account the Electoral Commission's concerns about that, given that people may be able to make quite substantial donations regularly, thereby compromising transparency?

Mr. Wills: I have great respect for the hon. Gentleman. He makes a valuable point about transparency and we agree with him about its fundamental importance. However, we have to be proportionate in all measures. We have to do what is necessary to increase public confidence and public trust, but we all have to make judgments on this, and we are making the judgment where we thought best.

What I hope is not in doubt is our commitment to transparency. We have made significant progress already. The Bill makes further progress in increasing the transparency of party funding in this country. That is a good thing and everyone in the House will welcome it, as will the public as a whole, whom we all serve. However, we have to ensure that those measures are proportionate. That is the point. We cannot ignore the fact—I am sure that the hon. Gentleman will know this from his party activists, just as every other hon. Member will know it from theirs—that we have to be clear that we are not putting unreasonable burdens on those volunteers.

The overwhelming majority of people who participate in political activity are decent, honourable citizens who do so from the best of motives. We may disagree on particular policy areas and our political values may be different, but the people who sustain us in this place are decent, honourable people who are fighting for the political values that they believe in.

Martin Linton (Battersea) (Lab): Is my right hon. Friend not concerned that foreign residents, such as Sean Connery, who are currently unable to make donations to political parties would now be able to make donations of amounts of less than £500, which could amount to quite a lot over the course of a year?

Mr. Wills: As always, I pay tribute to my hon. Friend, and on this occasion, I also pay tribute to his ingenuity. I have no doubt that we shall return to that issue as the proceedings progress.

Of course I accept the points made by Opposition Members about the importance of transparency. We agree with them, but we must ensure that the measures are proportionate and that we do not put such burdens on volunteers that we choke off their contributions.

Mr. John Redwood (Wokingham) (Con): I have a lot of sympathy with what the Minister is trying to do; there is a burden involved, and there are many decent people who want to give relatively modest sums and who have no wish to influence an individual candidate or policy. Will he help the House by explaining how he arrived at the figure of £500? Was the decision based on some sort of rule of thumb?

Mr. Wills: It was a judgment. From memory, if we had increased the thresholds in line with inflation, the figure would have been about £250, give or take; I hope that I will not be held to a precise figure. The increase is not quite as great in percentage terms, but we had to take account of anecdotal experience and make a judgment. This was a judgment, and it is entirely a matter for the House if it wants to reject the threshold that we are proposing. We are doing our best, and we are making a judgment about where to strike the balance. It is in the nature of the task of striking a balance, as I am sure the right hon. Gentleman knows, that it is, to some extent, a matter of judgment. There is no rule for this and no science; it is a matter of judgment. This is our judgment about where we think the balance should be struck. Others might wish to strike it differently; that is a matter for them, and I am sure that there will be further contributions to the debate.

Bob Spink: Was any research done into the sums that ordinary people—the volunteers, the grass-roots workers—give to a party? I recollect that it is usually between £20 and £100, and that the sums that businesses and developers give to political parties are in the £200 to £500 bracket. I suggest to the Minister that many grass-roots people will give small sums of up to £200, while the number of people giving £300, £400 or £500 is extremely limited. Why should not the public know who those people are, so that the public can hold their elected officials to account for the money that they receive?

Mr. Wills: We are talking about recordable thresholds at the moment, not reportable thresholds, so the hon. Gentleman's last point does not quite stand up. However, I do not disagree with him about the fundamental principle: of course the public have a right to know who is giving money to whom. That is the fundamental principle of transparency, and of course we agree with it. However, sometimes in life—political life and all other areas of life—fundamentally important principles can conflict with each other. It is important to have a vibrant democracy. That is a fundamental principle, and it is sustained by the efforts of volunteers, who are also fundamental to the health and vibrancy of our democracy. We have to ensure that, as far as possible, the two principles are kept reconciled.

Of course the hon. Gentleman is right to say that we have to set these thresholds at a level at which the public can be confident that no one is buying influence. Most Members would be utterly appalled to think that anyone believed that their voice in the House could be influenced or bought by a donation, however large or small. We would be utterly appalled by that prospect, but that is not the only issue. I paraphrase the hon. Gentleman here—I am sure that he will intervene on me if I am doing so incorrectly—but I think that he is saying not only that that must not happen, but that the public must be confident that that is not happening. In that, I am entirely at one with him.

The question is: at what level do we strike the balance? No one would think that it was worth placing a huge burden of compliance on those volunteers for the sake of the odd fiver here or there. However, I am sure that everyone would agree that £1,000 was worth recording, let alone £10,000, £50,000 or £100,000. There is no argument about that. The question arises about the relatively small sums of money, and, as I have said, that is a matter of judgment. The hon. Gentleman's judgment on the matter might be different from ours, and that is a matter for him. It is implicit in what he is saying that there is a balance to be struck. The question is not one of whether there is a balance to be struck, but one of how and where to strike it. That is what we are discussing.

There is no science here, and there is no way of knowing for certain what will reassure the public; we have to make our best guess and proceed with it. If we on the Government side have got this particular threshold wrong, we will happily revisit it. There is nothing at stake here other than the desire to strike the right balance. If we have inadvertently struck it in the wrong place, I gladly pledge that we will come back to the House and change it—in whatever direction: whether we are imposing excessive burdens on volunteers that are not justified by the increased transparency, or conversely, if we set the threshold too high. I hope that Opposition Members will agree with that approach. If they feel that this is the right level, experience shows that they will support it in future and not seek to change it.

Mr. Andrew Tyrie (Chichester) (Con): I agree with everything the Minister says about the need for a balance between compliance and transparency. Will he be prepared to share with the House the advice that he no doubt will have received from the Labour party's accounting officer on the dangers of imposing excessive burdens that will come with a low threshold? I am to some extent aware of what such advice is likely to have been and I think it would be helpful to have it as a matter of public record.

Mr. Wills: I think that the hon. Gentleman, who was a member of the Public Bill Committee, was present at the sittings where officers of both the Labour and Conservative parties—and, indeed, the Liberal Democrats—gave evidence about the dangers stemming from the excessive burdens of compliance on volunteers, on whom every party depends. I think that this is a matter of public record and of common sense; every Member knows about it from their own experience. We must be very careful. Throughout the lengthy Public Bill Committee stages, this issue came up over and over again, and it was raised by all parties. Broadly, there is, I think, a consensus. What we are debating is the fine detail of exactly where and how to strike this balance between transparency and excessive compliance. It is inevitably a judgment.

[Mr. Wills]

It might help the hon. Member for Castle Point (Bob Spink) if I explained more about the difference between the recordable and the reportable threshold, so let me say a few words about that. The recordable threshold requires recipients to verify the permissibility of the donor and to keep details about it, but the information is not reported to the Electoral Commission unless, in aggregate, donations from the same donor exceed the reportable threshold in a calendar year. We believe that the burden for parties and others of keeping records of really quite small donations—those of £500 or less—exceeds the benefits of verifying their source.

We also propose to increase the thresholds for reporting donations, loans or other regulated transactions to the Electoral Commission from the existing level of more than £1,000 to more than £1,500 and from the existing limit of more than £5,000 to those with a value of more than £7,500. We believe again that increases of that order are proportionate and that they strike the right balance between the transparency that everyone agrees is so necessary and the burden of compliance. A certain increase would have been merited by inflation, but we decided that to increase the thresholds by more than inflation alone was merited for precisely the reasons that I have set out in respect of recording donations, loans and other transactions.

Overall, the Bill's provisions will increase information in the public domain about significant political donations. In our view—it is our view—this is the key area of public interest, and the moderate increases in reportable thresholds should be considered in that context. I know that hon. Members have referred to percentage increases, but I think that this is one of the occasions where percentages can be misleading—more misleading than the numerical figures themselves. I hope the House will focus on the number of pounds involved rather than on the percentage increases. As I say, they may be misleading about the overall impact of these changes.

4 pm

As with the other provisions in the Bill, the Government and I are determined that we move forward on those measures, which are aimed, as I say, at striking the right balance between transparency and the compliance burdens on party officials and other donees. We want to do that on the basis of a broad political consensus. I am open to views and further consideration as to the precise levels of the thresholds. I note that Conservative Members have tabled amendments relating to donation thresholds and will turn to those in a moment. I will be happy to give them further consideration, if that is the will of the majority of the House. I ask hon. Members to support new clause 19 and consequential amendments 94 to 111.

I want to discuss amendments (a) to (c) to new clause 19, and amendments 123 to 139, which were tabled by Conservative Members. Amendments 124, 125, 129,131 and 133 would increase the £1,000 threshold set out in clause 8 and schedule 3 to £3,000. That means that donations of more than £3,000 to party accounting units and regulated donees, except members' associations, would have to be accompanied by a declaration as to the source of the donation. We understand that the intended effect would be to increase across the board the local reporting threshold for donations made to accounting units of parties to £3,000. I am sure that Conservative Members will speak to their amendments shortly but, in doing so, I hope that they will correct me if I have misunderstood the purpose of their amendments.

The thresholds in clause 8 and schedule 3 mirror the thresholds for the reporting of donations, so that all donations that are reported to the Electoral Commission will be accompanied by declarations as to their source. We have therefore tabled amendments to increase that threshold to £1,500, in line with new clause 19, which would increase the threshold above which party accounting units and regulated donees, except members' associations, must report donations to £1,500.

We have believed that aligning the thresholds above which donations must be accompanied by declarations with the levels at which donations must be reported would provide clarity for recipients of donations. We think that having different thresholds could make the system unnecessarily complex. These proposals would set the reporting and declaration thresholds at different levels. That might be an unnecessary and unhelpful complication, although I understand that it might not be the intended effect. It might be that hon. Members are suggesting—again, I would be grateful for their correction if I have misunderstood—that the threshold for both reporting and declaration in relation to donations to party accounting units and regulated donees, except members' associations, should be £3,000. The hon. Member for Huntingdon (Mr. Djanogly) is nodding, so I think my understanding at that point is correct.

Increasing the threshold in such a way would undoubtedly be a significant change, but, having reflected, we are prepared to agree to it in principle—in the interests of consensus and on the ground that there is a judgment to be made here as to how best to strike the balance. We decided to strike it in one way; Opposition Members decided to strike it differently. In the interests of achieving consensus, we are prepared to concede the point. However, we see some problems with the proposals, and they reflect in particular the point about indexation.

Again, we understand what Conservative Members are trying to do with indexation. We want, as far as possible, to secure a consensus on these measures and we do not think it a fitting use of the House's time to keep returning to those issues. Some years, they will be overlooked, for whatever reason—pressures of business, perhaps, or other things might be happening. We may find ourselves again in the position that we are in today, when the thresholds have not been examined for a long time. Some Members have drawn attention to the percentage increase, but in numerical terms the sums are relatively modest, and, as I have said, we think that the right balance has been struck.

We take the point that we think the Opposition are making—no doubt we shall hear from them shortly—about indexation and the need to provide some automaticity in the process. However, they are proposing a rather simple form of indexation. I am usually all in favour of simplicity, which has great merits, but in this instance the thresholds might become unbelievably complex. We might end up with pennies being added to them. I do not think that anyone wants a threshold of £3,223.33, for example. That really would impose an unnecessary compliance burden.

Bob Spink: I believe that indexation as proposed in the Opposition amendments would complicate the Bill and lead to a lack of clarity. It would also add very small, insignificant sums that would not substantially change the position on party funding or the complex process that donors must undergo. In fact, it would change things very little and would only introduce massive complexity. Tiny percentages would be added, creating a rather strange figure for the Electoral Commission to monitor, at a time when we are increasing these sums by massive percentages—150 per cent., or 50 per cent.—which would wipe out the impact of any indexation over a very long period. Does the Minister not think that the Opposition parties are trying to have cream on their sticky buns?

Mr. Wills: Let me take a moment in which to contemplate that enticing image. *[Laughter.]* No—I have calmed down now.

As always, the hon. Gentleman makes an interesting point that has some merit. We did consider it, but I am afraid that in the end we rejected it. Let me explain why. Obviously, I cannot speak to the Opposition amendments—no doubt the Opposition will do that very well themselves—but I will explain why I was persuaded on this point, in an effort to reassure the hon. Gentleman.

Of course the hon. Gentleman is right about complexity. We should always try to avoid it, for precisely the reasons that he mentioned. We want to make the compliance burden as light as possible, although there has to be a compliance burden: let there be no doubt about that. Compliance is essential, transparency is essential and accountability is essential, for all the reasons that I have already given. Complexity can militate against those elements—I will concede that point to the hon. Gentleman—but, as always, it is a matter of striking a balance. I think it important for us to accept and entrench the principle of a threshold—that is implicit in all previous legislation, and it is implicit here—along with the principle that, although where we strike the balance is a matter of judgment, wherever we strike it there is a threshold below which donations should not be recorded.

What persuaded me of the merit of the Opposition amendment—and the reason for our intention, subject to a condition that I shall explain in shortly, to table our own amendments in the House of Lords to achieve the same effect—was the fact that one part of it does entrench the principle of there being a threshold. That means that we will not have to return to the threshold, because we will not see it being eroded over time by inflation. Of course, under this Government we have had record low levels of inflation thanks to the prudent management of my right hon. Friends the Prime Minister and the current Chancellor of the Exchequer, and as a result of that historic achievement we face a global recession much better equipped than we would have been otherwise. Nevertheless, we cannot legislate for future Governments, and we do not know how successfully they will handle whatever inflationary challenges may emerge in future. We all remember what happened under the previous Conservative Government—I know the hon. Gentleman does—

Chris Ruane (Vale of Clwyd) (Lab): Remind us.

Mr. Wills: Inflation went up to unsustainable levels—

Chris Ruane: How much?

Mr. Wills: It was 22 per cent., which was a huge burden on my constituents and those of every Member. It is a time we all regret; even Conservative Members now regret that they let the economy get so badly out of hand. Sadly, we cannot be confident that they have learned the lessons and the situation may just happen again. At that point, we have to be clear about the advantages of indexation, so I am glad that Opposition Members have recognised the danger that inflation may let rip again should the Labour Government—for whatever reason—not be in power indefinitely.

James Duddridge (Rochford and Southend, East) (Con): I fear the Minister may be losing his way. Although I disagree with his history lesson, which was somewhat more enjoyable than sitting on the Bill's Committee, despite that being enjoyable too, I welcome his concession on indexation. Will he outline the methodology for his approach in the Lords to overcome some of the problems of indexation that have been mentioned—such as the small increases—so that we do not have to come back to those issues, as we have had to do since the Political Parties, Elections and Referendums Act 2000, with the 25 per cent. increase, and can allow for the sensible increase the Minister proposes?

Mr. Wills: Those are important points, but if I may I shall conclude the point I was making about the value of the Opposition amendment. I look forward to hearing what Opposition Members have to say and I have no doubt they will correct me if they think I have misunderstood the purpose of their proposal. I am merely setting out why I am persuaded that we should accept the principle behind it. The hon. Gentleman raises an important point about how we can do that and I shall deal with it in a moment.

To return to my earlier point, it is important to entrench the principle of indexation; we do not want to find that the thresholds fall a long way behind inflation and that we have to come back to the House. Every time we come back to the House for these sorts of discussions, we hear contributions such as those from the hon. Members for Castle Point and for Perth and North Perthshire (Pete Wishart). They are quite properly scrutinising what the Government propose and our approach to Opposition amendments. That is what they should be doing. They scrutinise us vigorously and I am grateful for it, because it will enable the Bill to be more muscular and to achieve its effect. I have no doubt whatever about that. However, in doing so they call into question public trust not just in the Government, the Opposition or any of the minority parties, but in the whole political process. That is not necessarily helpful. We need to be scrutinised and we must be accountable, but constantly having to revisit subjects such as these feeds a pervasive cynicism in the political process, which is not always justified. We have to be careful about that.

Indexation seems a practical and sensible way forward, subject to the important point made by the hon. Member for Rochford and Southend, East (James Duddridge), to which I shall return shortly. In the meantime, I hope the hon. Member for Castle Point is reassured by my

[Mr. Wills]

understanding of the point behind the proposal—that we entrench the principle of a threshold. Once the House has collectively agreed what it should be, it will be entrenched and can be uprated in line with an appropriate measure of inflation.

The hon. Member for Rochford and Southend, East made an important point. The measure of indexation should command public confidence, which is what I think the hon. Member for Castle Point wants to achieve. We all agree that we want a measure that commands public confidence. The hon. Member for Rochford and Southend, East was alluding to the fact that we could use a variety of indexes—with or without housing costs or earnings. In the past, those matters have been of great contention in the House in relation to other areas of public policy, so we have to be careful about which measure we choose. We also have to be careful about how exactly it will translate into practice. We do not want to put an excessive burden on volunteers; nor do we want to put an excessive compliance burden on the Electoral Commission, which has other valuable missions to perform.

As I said, I propose to resist the Opposition amendments for the reasons I have given, but I shall consult statisticians and Members to see if we can come to an agreement about the measure of inflation that would command the broadest possible consensus and then introduce amendments in the Lords.

Mr. David Winnick (Walsall, North) (Lab): Many times today I have heard my right hon. Friend talk about consensus, reaching the right balance and the rest of it, but given the impression that some Labour Members have, and bearing in mind the decision that was reached when we last debated the Bill, may I suggest that we should not surrender too much? Otherwise, it is not consensus; surrender would be a more appropriate word. I hope that my right hon. Friend bears that in mind when he says that he will consider other aspects of the matter.

4.15 pm

Mr. Wills: My hon. Friend makes an important point, and I was about to address it. Whatever the uprated figure is, we will almost certainly need to lay a statutory instrument before Parliament to make the figure clear. The House will have an opportunity to express a view on it. Each change will mean a change to the figure in primary legislation; a statutory instrument is probably the best way of achieving that.

James Brokenshire (Hornchurch) (Con): The Minister is making an important point, not just about the methodology and what rate or index is used, but about the method by which it would be implemented. Does he agree that there is some merit in setting out in the Bill the approach that is to be taken? We are considering transparency, and are seeking not to give the impression that things are being hidden away or swept under the carpet. However, sometimes simply putting the information in a statutory instrument may inadvertently give an impression that that is happening. Perhaps the best way to emphasise transparency is to express the information as clearly as we can in the Bill.

Mr. Wills: That is a good point, and it is certainly one of the issues that we will bear in mind when formulating the amendments that we propose to bring before the Lords.

Rob Marris (Wolverhampton, South-West) (Lab): On indexation, my right hon. Friend has already talked about simplicity, and we are all well aware that most political parties are run almost purely by volunteers. May I put it to him that when he considers what indexation regime to introduce, he should consider indexing only once in the lifetime of each Parliament? Volunteers in particular get a figure in their head and then do not move with the times. I understand that; it is not their job to do so—they are volunteers. We could make the change once each Parliament—perhaps, say, within two months of a general election. That would have the virtue of simplicity, which would assist volunteers.

Mr. Wills: As always, my hon. Friend makes an extremely important point. That is one of the issues that we will have to consider. As I have said, we cannot guarantee that this Government will be in power indefinitely. We have to cater for the risk of inflation taking off, as it has in the past. We have to be careful and sensitive to what may happen in future. However, he makes an important point about volunteers. As I say, we will consult hon. Members from all parts of the House informally on that. I hope that, in the Lords, our amendments will command a broad consensus. As long as this House expresses its view on the principle, we will go forward. For the reasons that I have given, I hope that Opposition Members will withdraw their amendments, but I look forward to hearing what they have to say.

Amendments 121 and 122 are Opposition amendments on limits on donations. During the passage of the Bill, we have heard a good deal of debate about what is a reasonable excuse for non-compliance with the regime in the Political Parties, Elections and Referendums Act 2000. I think that we can all find some sympathy for an individual who makes a small, inadvertent error and who subsequently fears criminal prosecution by the police, or action by the Electoral Commission. However, we have also been clear that if we want to deal with such concerns, we must ensure that we do not create a loophole to be exploited by the less scrupulous individual, who might seek to conceal a larger wrong behind the claim of a small-scale error. We have considered those concerns and believe that there is merit in addressing them. I am happy to confirm that we intend to introduce amendments in the other place to reframe some of the offences in the 2000 Act that might currently be so widely framed as not to take full account of inadvertent errors for which there is a genuine, reasonable excuse.

I hope that that approach will be welcomed by Members who are concerned that the current framing of certain offences is too stark, binary and polarising. I hope that they will be reassured that the Electoral Commission will be better able to apply its reasonable judgment at the outset of considering a potential case. We have listened carefully to all the concerns that have been expressed about that and taken account of them.

Bob Spink: I am not consoled or persuaded at all. In fact, I am deeply concerned that, yet again, the Opposition parties are seeking to relax the high standards to which

political parties and donors are to be held. Those standards are intended to ensure that what they do is transparent and available to the public. The public will look at the House with deep suspicion and wonder where the Opposition parties are coming from. Why do they not want to be held to account? Why do they want to create little loopholes and escape routes for their friends, to enable them improperly to give more money to political parties?

Mr. Wills: I am afraid that I do not accept that for one second. We are not creating a loophole or relaxing the criteria at all. The British people, on whose behalf the hon. Gentleman professes to speak, are driven by the principles of fairness and justice. We are trying to ensure that those principles are applied. People can make small, inadvertent, genuine errors. Who among us can hold his hands up and say, "I have never made a single mistake, no matter how small, at any cost to anyone else"? I am not sure that even the hon. Gentleman will say that. If he wants to stand up and tell me that he has never made a mistake with the best of motives, I am happy to let him do so. Is he going to? I think not.

Bob Spink *rose—*

Mr. Wills: Oh, he is. I give way to the hon. Gentleman.

Bob Spink: Amendment 121 would insert an escape clause, stating:

"A person does not commit an offence if, in the reasonable opinion of the Commission, the person had no intention of making, or by innocent mistake made, a false declaration under this section."

Surely we are placing too much responsibility on the commissioners to judge the political climate of the time. Why would anyone want to stick an escape clause in legislation such as this? Do they anticipate that their supporters and donors will make small, inadvertent errors?

Mr. Wills: I believe that the hon. Gentleman was reading from the Conservative amendment.

Bob Spink: Yes.

Mr. Wills: We intend to resist that amendment. The hon. Gentleman is not reading from the amendments that we propose to introduce in the other place, because they have not been written yet. Before he criticises what we are planning to do, he might want to see what it is.

David Howarth (Cambridge) (LD): There are dangers of the sort that the hon. Member for Castle Point (Bob Spink) mentions, and I hope that the Minister will take them into account when producing his own amendments. In particular, it is right to point out the danger of defining the existence of a crime according to the later opinion of the commission. That is never a correct way of framing a criminal offence.

Mr. Wills: As always, the hon. Gentleman makes an extremely important point. He is right that we have to strike a balance, and we are sensitive to such concerns. We made it clear in Committee that the perception of the public is paramount, and we will abide by that principle. However, there is a problem that we cannot ignore, and we must address it in the best way we can. We are addressing it by reframing the offences in question so that they are applied only when necessary.

Bob Spink: I was making a point about the Minister's attitude towards the Conservative amendments. I would be more sanguine about the amendments if I did not know the Conservative party's track record in driving a coach and horses through election law and the public test of what is acceptable—for instance, by taking money from people who do not pay tax in this country to fund marginal constituencies by £20,000, £30,000 or £40,000 a year before the election is even declared. I do not want to give the Conservative party any loophole through which it can jump; nor do the public and nor do those in the media, who are watching us carefully in the House.

Mr. Wills: The hon. Gentleman's relationship with the Conservative party is infinitely fascinating—it is the stuff of drama—and I should be delighted to explore it with him at some other time, but I should like now to make a little progress with the new clause and amendments. As I say, we want to table amendments in the other place, and I hope that most Members will welcome that.

Martin Linton: Without wishing to disagree with the hon. Member for Castle Point (Bob Spink) in any way, may I say that I welcome my right hon. Friend's announcement that he will introduce an amendment in the other place on the issue, and I hope that it will not simply reflect the Opposition amendment, which puts the onus on the Electoral Commission to determine what it regards as a reasonable mistake, but give some latitude to candidates to seek relief through the courts where they feel that they have made a late declaration that was unintended.

Mr. Wills: I am grateful to my hon. Friend; I was about to make exactly that point. Specifying the phrase

"in the reasonable opinion of the Commission"

is not a factor that adds anything useful on a practical level. The commission is already compelled to act reasonably when it considers civil sanctions. If it fails to do so, that is grounds for appeal against any decision to impose a sanction. So what I suspect is the desired effect of amendment 121 is already achieved in the Bill by other means. In fact, although I accept that that amendment is well intentioned, it would be distinctly unhelpful in that—I think that this is the point that has been made—it would make the commission's opinion central to the offence. Accordingly, in a case where the police and the Crown Prosecute Service decided that an offence was so serious that it warranted criminal prosecution, rather than civil proceedings instituted by the commission, a court would still be required to consider what the commission thought to decide whether an offence had been committed. Surely, that cannot be the intention, and I certainly do not think that it would be right.

Rob Marris: I urge my right hon. Friend to resist amendment 121, which would put the onus on the commission and make life very complicated. However, I also urge him to look very carefully at amendment 122, which would change a subjective test into an objective test of whether something was an individual's reasonable belief and would therefore make it much easier for any

[Rob Marris]

tribunal, court or whoever to decide whether any shenanigans had taken place. Therefore, although my right hon. Friend and the Government might not like the exact wording of amendment 122, it would tighten things and it contradicts amendment 121. We would be better with amendment 122, not amendment 121.

Mr. Wills: Again, I have heard what my hon. Friend says, and he has got a point. I will come to our view on amendment 122 very shortly, and I then want to conclude because there is a lot of business to get through and I need to let other Members speak.

On amendment 121, I am also concerned by the use of the phrase "innocent mistake". I think that we all agree that the commission must act proportionately. It has repeatedly said that the new range of civil sanctions that we propose will help it to achieve that, but the phrase "innocent mistake" carries no legal weight. Indeed, it is quite vague and confusing. I do not believe that it is helpful. In any event, given the nature of the conduct required for the offence, which I have already described, that or similar wording would not add much to ensuring that inadvertent errors were not unfairly penalised.

Amendment 122 would insert a requirement for an individual to make a declaration about their reasonable belief, rather than requiring them to act to the best of their knowledge and belief, as the Bill is currently drafted. To adopt that wording would substantially weaken the requirement and make it inconsistent with other declaration requirements contained throughout the Political Parties, Elections and Referendums Act. I think it is right that we ask the best of people, rather than something less, given that they will be penalised for a failure only if they act intentionally or recklessly in making the relevant declaration. As I have said, the requirement for an act to be carried out knowingly or recklessly will not, in my view, catch a person who makes a statement in good faith. That strikes the right balance between rigour and fairness in this context, and I do not think we should disturb that balance.

Given that, and given the assurances I have given about amendments we intend to introduce in the other place, I hope Opposition Members will see that these amendments are unnecessary, and that they will withdraw them.

4.30 pm

Amendment 8 would alter the regulation of unincorporated associations by requiring that names and addresses of their members and those who donate to them are provided to the Electoral Commission in donation reports or transaction reports, depending on whether the unincorporated association is giving a donation or loan to a party. It is very similar to an amendment tabled and discussed in Committee. We recognise the concern that a number of Members expressed on Second Reading and in Committee about a perceived lack of transparency with regard to unincorporated associations. As I said in Committee, we have been actively considering improvements in this area, and I am pleased to report that we have tabled amendments that will address this issue. On the basis of that, I hope my hon. Friend the Member for Leeds, North-East (Mr. Hamilton) will support the Governments amendments and withdraw his amendment.

Mr. Jonathan Djanogly (Huntingdon) (Con): As the Bill stands, clause 8 creates a new requirement for a donor to make a declaration in respect of donations for a sum exceeding the specified threshold. The intention behind the clause, and the related schedule 3, is to clarify the source of donations. Essentially, transparency is the goal. Schedule 3 makes changes analogous to those made by clause 8 in relation to donations made to individuals and members' associations so as to recognise third parties and permitted participants. Although we support the goal of transparency, earlier in the Bill's passage we had many concerns about the provision. In particular, we were concerned to ensure that small donations were not subject to a potentially burdensome and demanding declaration system. After much negotiation and effort, we have, thankfully, made great progress since then, particularly in increasing the thresholds for declaration from the low original sum of £200. In this day and age, using that sum was particularly out of touch.

The Government have also removed the unworkable requirement that parties verify the donation. In combination with the £200 threshold, that requirement would have made the administration of donations almost impossible. It was agreed by all, including the Electoral Commission, that amendments increasing the thresholds and removing the verification requirement were the way forward. Again, the verification requirement would have placed a great burden on local and national party officers alike. Of greatest concern was the potential impact on local party officers. As the Minister said, they are frequently volunteers, and we felt that the Bill in the form considered in Committee risked permanently discouraging those at the grass roots of politics from engaging with the political system. Even for lawyers or experts in money laundering, the requirement would have been almost unworkable, let alone for busy unpaid local volunteers.

When the Bill went into Committee, any donation of more than £200 would have come within its ambit. That would have resulted in approximately 100,000 declarations being required in relation to Conservative party donations alone, leading to an administratively unworkable work load. As a result, we felt that the political system would be damaged, rather than enhanced. After much effort in Committee, the thresholds were increased to £5,000 at national level and £1,000 at local level. We still had concerns, however. It is a simple fact that political parties need funds to fulfil their democratic roles, and the thresholds are still set at a lower level than we had expected. Fortunately, the Government have come back again and admitted that the clause is still deficient, and have tabled these amendments that we are discussing today.

Government amendments 94 to 111 and new clause 19 are a response to widespread objections to the surprisingly low thresholds for declaration originally proposed in the Bill. The Government amendments increase the sums to £7,500 for donations made nationally and £1,500 for donations made locally. I shall return to the thresholds in discussing our amendments. I can confirm that we are reasonably satisfied with the national threshold, but that we have tabled amendments to increase the local threshold from the £1,500 proposed by the Government to the more appropriate figure of £3,000. We had considered increasing this figure to match the

national threshold, as that would have been simpler for all concerned, but £3,000 is where we are at on this issue.

New clause 19, which addresses the so-called "permissibility threshold", serves two important purposes. First, it introduces further consistency to the 2000 Act by amending relevant sections so that the figures are in line with the proposed increased thresholds in amendments 94 to 111. Secondly, it increases the recordable threshold to £500 from £200—another improvement. As it stands, part IV of the 2000 Act imposes restrictions on the sources of donations; it prevents certain foreign and anonymous donations to political parties and makes registered parties subject to reporting requirements when in receipt of donations of more than a certain value. The new clause serves to amend the relevant sections of PPERA, specifically in part IV, and the related schedules 7, 7A, 11 and 15. The Act specifies which payments or services to a party are not to be regarded as a donation and are therefore not subject to any requirements—any donation of £200 or less is to be disregarded. The new clause amends the sum, increasing it to £500. Accordingly, any donation of £500 or less would not be subject to the regime.

The increased figure serves a number of goals, and the threshold, generally, is a significant one. Principally, the increased sum aims to reduce administrative burden—a reduced strain will be placed on parties in relation to less financially significant sums. The sum should also prevent donors of smaller sums—those up to the more realistic figure—from being discouraged from contributing money. I am thinking of, for instance, ticket prices for attending local fundraising events. It is important that less significant sums donated in that manner are not caught up in the complexities of this Bill. Again, I stress that we should be encouraging engagement at the grass-roots level of politics; by having a higher level, we carve out individuals who are involved at the base level of politics and who are in no way targets of the legislation. It is sensible to remove entirely from any such conversation those lower sums. I am sure that all hon. Members will be aware that the voluntary levels of party structures and local fundraising are normally entirely divorced from the more complex upper echelons of party funding. Furthermore, as the Minister has pointed out, it should not be forgotten that the PPERA provisions that set the £200 level were debated almost a decade ago. Given the time lag, there is a need for a more valid and fair level at which to disregard the potentially oppressive PPERA restrictions.

Although we approve of increasing the threshold, we remain concerned that £500 is not enough. That sum is still very low in the grand scheme of party financing, and for the reasons I have highlighted, extra caution should be exercised to ensure that minor donations do not end up falling within the ambit of this substantial and intimidating—for individuals—legislation. Although we appreciate that the Government have attempted to address these widespread concerns, new clause 19's changes to part IV of the 2000 Act may not go far enough; a greater sum of £1,000, for example, might be more appropriate.

As the Minister said, this is a matter of judgment and balance. The potential for excessive burden does not extend solely to the donor; in particular, I draw hon. Members' attention to the potential for requirements to be placed on local volunteers in relation to small donations that nevertheless remain above the proposed level of £500. The accounting rules are extremely technical and complex, as is even the guidance produced on the rules. In addition, we need to consider the fact that, because of the voluntary nature of local associations, many of those responsible for accounting are volunteers. Again, I suggest that it is sensible to remove entirely the possibility of an unnecessary burden being placed on donors and volunteers; extending the threshold to a sum such as £1,000 would ensure that there was far less room for doubt.

Martin Linton: Does the hon. Gentleman agree that raising the level to £1,000 would make it relatively easy for a donor making a weekly donation of that sum to give £50,000 without even showing up on the radar of the political parties legislation? Would that not open the door to large-scale donations that would go unrecorded and unreported?

Mr. Djanogly: I do not think that that can happen, because it is a catch-all provision. However, we are not opposed conceptually to anti-avoidance provisions. I am talking about the good guys who want to give money for the right reasons, not the loopholes, which we would be happy to see addressed.

Martin Linton: But this provision would create a loophole, because it would set the recording level. The recipient of donations of as much as £999 would not even be obliged to write down the name of the donor on a piece of paper. The donor could be someone from overseas, and they would be able to make large donations.

Mr. Djanogly: My understanding is that there are anti-avoidance provisions. Taking the hon. Gentleman's point at face value, the same problem could be held to exist for a limit of £500, £200 or any other amount. If the anti-avoidance provisions need to be tightened up, we would not be averse to considering that.

If the threshold were extended to £1,000, there would be less room for doubt. It has already become increasingly difficult to recruit and retain volunteers, but we need to encourage enthusiasm for politics at a local level. In that context, I do not understand the Electoral Commission's concerns that the Government's proposed increase has the potential to reduce confidence in the transparency and integrity of party and election finance. From previous conversations, we know that the Government have an open mind on this issue, and it may be that their low-bid amendment reflects the concern held by the Electoral Commission. When it comes to setting a level, however, I would argue that it is a matter for Parliament to decide the limit. While we accept new clause 19, we are concerned that the permissibility threshold is reviewed further in the later stages of the Bill.

Our amendments 124, 125, 129, 131 and 133 would increase the threshold for local donations to £3,000 from the current level of £1,500. They would also provide for indexation, about which we are concerned because of the likely high levels of inflation as we come out of Labour's recession. Such sums can look out of kilter after only a few years. I should note that we have tabled other amendments, such as amendments (a), (b) and (c) to new clause 19, which would provide for indexation for all the threshold figures in the Bill.

[Mr. Djanogly]

The declaration requirement is considerable and should be required only in the case of considerable donations. Smaller donations, which will comprise the majority in number, should be less rigorously regulated. Increasing the reporting threshold figure to £3,000 would remove the lower-level donations from the ambit of the Bill and further reduce the administrative burden locally.

Rob Marris: I do not understand, especially given the state of the world economy and the prospect of deflation haunting us, why the hon. Gentleman is talking about upwards-only indexation. That seems strange to me.

Mr. Djanogly: We have provided that indexation should be upward only on the basis that to date none of the thresholds has been reduced. If the hon. Gentleman is concerned about complexity, I put it to him that having an upward and downward measure would certainly increase the amount of complexity involved.

Rob Marris: It would not do so if the Government adopted the excellent proposal that someone made earlier—that the adjustment should be made only once in each Parliament. In that case, the complexity for the individual volunteer would be the same whether the figure was £450 or £550 or stayed at £500. It is no more complex to adjust to a figure going from £500 to £450 than it is to adjust to one that has gone from £500 to £550.

4.45 pm

Mr. Djanogly: The hon. Gentleman has made his point, which is worth looking at. We would not be averse to debating his proposal along with others that will hopefully be considered in the context of the Government's response.

More specifically, an increase in the threshold would further emphasise the importance of catching the larger and more significant sums. Narrowing the ambit of the Bill would focus the commission on the more serious tasks that it faces, avoiding donors, local associations, volunteers and electoral commissioners being bogged down in misunderstandings and disputes over lesser sums.

The amendments would serve three connected purposes. First, they would reduce the administrative burden for donors and parties. Again, I remind hon. Members that the measure will place a significant obligation on a great number of donors. Secondly and simultaneously, an increased limit would emphasise the importance of declarations of larger donations. That would ensure that an appropriate level of scrutiny was applied to the more significant sums. Indeed, it is in relation to the larger sums that suspicious and offending activity is most likely to take place. Finally, an increased limit would remove the discouraging requirements in relation to smaller donations. Accordingly, fewer people donating at the very important grass-roots level would feel exposed to the declarations regime and such people would therefore not be discouraged from giving.

We must avoid pushing interested persons further away from political engagement by importing complex legal requirements into the local party funding scheme. The wrong that the measure is intended to tackle is very far departed from the vast majority of scenarios involving sums under £3,000. If we succumb to the temptation to over-regulate, we will succeed only in taking the political system further away from the general public. In this way, we will defeat some of the Bill's key goals in the process.

By tabling their own increases, the Government have shown that they support the principle behind increased thresholds. We therefore believe that the further increase introduced by our amendments would reinforce the theme of the Bill, rather than detract from it. The Minister's acknowledgement of the fairness of our £3,000 proposal is welcome. In the light of his kind offer, we shall not press the amendment to a Division. We look forward to seeing the Government amendments in the other place. I take the Minister's point on certain technical issues that he mentioned, which his draftsmen will no doubt address in their drafting of his amendments.

As I stated, clause 8 creates a new responsibility for donors to political parties to declare any outside source of a donation. Although I repeat our support for the concept of transparency, there must be sensible limits in place to protect the vast majority of honest and genuine participants in the democratic process. The general impact of clause 8 could be costly in both time and money for parties locally. It is at this most fundamental and important level that such burdens are most heavily felt. Bearing in mind this negative potential, our amendment 121 seeks to provide a positive defence for those who have made an innocent mistake.

As we have emphasised throughout our deliberations, this is a complex Bill and it may prove easy innocently to fall foul of the law in PPERA. Even a brief review of the provisions on a declaration reveals the lack of certainty for a lay person—for example, the concept of "value of the benefit" and the provision of a benefit "in connection with" a donation. Although we do not dispute the need for such provisions, it is important to ensure that a positive defence is in place if the complex measures are unwittingly not complied with.

By including the commission in the process, amendment 121 aims to place adequate and specialised scrutiny on any person who asserted the defence. By positively confirming that the defence exists, we can ensure that the Bill is in kilter with other legislation that creates criminal offences. It is important to remember that guilt of a criminal offence, with the obvious stigma attached, is at stake. As it stands, the drafting of proposed section 54A(6) to the 2000 Act does not adequately address our concerns. It merely states:

> "A person who knowingly or recklessly makes a false declaration under this section commits an offence."

There is no confirmation that a person would not commit an offence in the case of an innocent mistake. From our perspective, the drafting of section 54A(5), as proposed in clause 8(2), is not sufficiently prescriptive in that respect. The Bill is silent, and might unfairly cast a doubt over the honesty of an innocent person. There may be a lack of clarity about how the law works in practice, especially when the legislation is first enacted. As such, it seems fair positively to provide a clear defence.

Rob Marris: The hon. Gentleman will correct me if I am wrong, but according to my recollection, he is a lawyer; in fact, I believe that he still moonlights as one. I suggest to him that amendment 122 would change a

subjective test into an objective one, and that amendment 121 would introduce a subjective test. He is proposing contradictory amendments that would create great complexity. Were both amendments agreed to, we would end up with the replacement of a subjective test by an objective test and then the reintroduction of a subjective test.

Mr. Djanogly: That is not the case, because the defences are different. They are not put together. Let me continue my line of thought; the hon. Gentleman can then come back, if he likes.

I should like to draw a comparison with section 167 of the Representation of the People Act 1983, which shows the point that we are making. It stated that when a person had to be charged with an offence under its provisions, they could apply to the High Court, an election court or other court as appropriate for relief from liability, on the grounds that

"the act or omission arose from inadvertence or from accidental miscalculation or from some other reasonable cause of a like nature, and in any case did not arise from any want of good faith".

The 1983 Act is an effective example of our amendment in practice. We tabled a near-identical amendment in Committee, but the Minister dismissed it. He said:

"Hon. Members spoke about the 1983 Act, but that framework was replaced by the 2000 Act...We do not believe that the amendment is necessary, but of course we hear the concerns about the dangers of an overzealous approach to enforcement—of the minor, technical breaches."—[*Official Report, Political Parties and Elections Public Bill Committee*, 20 November 2008; c. 379.]

The 1983 Act may have been replaced, but that does not mean that it is not a good example of what we want to get to. The Minister concedes that there is a concern about an over-zealous approach by the commission and that we should address that concern by clarifying the defence.

We should act now to avoid the dangers that we have identified and that the Minister has confirmed. There should be no harm in adding this extra layer of protection. Perhaps the technical point that the hon. Member for Cambridge (David Howarth) made earlier is valid, but I say here and now that the Conservative party has been the only one to have supported the concept of an innocent mistake—and we are sticking by it. I am pleased that the Minister seems to be coming around to our way of thinking.

Mr. Wills: I rise on behalf of my hon. Friend the Member for Battersea (Martin Linton). On a point of record, I should say that, as the hon. Gentleman may recall, my hon. Friend also had a lot to say about the issue in Committee.

Mr. Djanogly: He did, and I congratulate him on having done so, but he was not speaking from the Front Bench, unless I am mistaken; the Minister may wish to put me right on that.

The Electoral Commission seems to have concerns about the amendment. It says that it could considerably weaken the eligibility of declarations made under clause 8. However, I put it to the commission that we need a mechanism to deal with the issue. To that extent, the policy of straight rebuttal that the Minister advanced in Committee was not productive. However, he seems to have made a significant about-turn on the issue, at least in general terms; I was heartened by what he said. Nevertheless, so far there have been no specifics, so we will press amendment 121 to a Division at the appropriate stage this afternoon.

Mr. Wills: I am anxious that the hon. Gentleman should not be under any misapprehension. I said to him that I did not believe that the offence in new section 54A(6), with which these Opposition amendments are primarily concerned, is one of the offences that we consider too wide at the moment. We are bringing the amendments forward in the other place, and as I have said, we will reframe some of this. We have, as always, listened carefully to what hon. Members have said, particularly the cogent arguments made by my hon. Friend the Member for Battersea (Martin Linton) in Committee. We want to achieve the stated aim, but not in this context. Some specifics have already been given today, and I would not want the hon. Gentleman to be under any misapprehension.

Mr. Djanogly: I am thankful for the Minister's putting the record straight. That makes it more important that we request a Division on amendment 121.

Amendment 122 would change the requirement for a declaration under new section 54A(1) to be made

"to the best of the individual's knowledge and belief"

by inserting a less oppressive requirement of "reasonable" knowledge. As it stands, the Bill imposes a considerable obligation on the donor by requiring them to apply the highest level of their knowledge and belief in stating whether subsection (2) applies. Subsection (2) applies if another person has provided the donor with money or another benefit in excess of the threshold in subsection (2)(b). It therefore has two layers: the fact of the provision and the value of the provision. In the case of the latter, subsection (2)(b) applies if the "value of the benefit" exceeds the threshold. Satisfying that requirement could be especially difficult. Likewise, it may be equally tough to apply one's best knowledge in deciding whether another person has provided a benefit

"in connection with the making of the donation".

That is emphasised by the lack of an obligation in the Bill for the commission to provide guidance on valuing benefits, so the potential to catch out honest donors is considerable. The provision implies that the person must use all efforts to ascertain whether a vague link or high value of an obscure benefit requires a declaration. When we consider the sanction for failure in this respect, we see that that is a tough standard to satisfy.

In short, the provision can serve only to discourage donations and engagement with the political system. I remind the Minister that he accepted the principle at stake in Committee, where he said:

"Of course reasonableness is important. For instance, when someone is required to give an opinion it should be a reasonable one."—[*Official Report, Political Parties and Elections Public Bill Committee*, 20 November 2008; c. 371.]

That being the case, why not incorporate it clearly in the Bill? This requirement is oppressive and potentially counter-productive to the wider goals of the legislation. Our amendment seeks to temper the Bill and bring it into line with the mutual expectation that reasonableness, rather than best knowledge, is the correct requirement in these circumstances.

James Brokenshire: My hon. Friend, and indeed the Minister, talked about the concept of acting in good faith. To that extent, there is some commonality of approach in trying to deal with good faith actions and bad faith actions, if I may use those terms. That is difficult to frame in a legislative way. Does my hon. Friend agree that there is an issue as regards the "best endeavours" obligation—the extent to which people need to make investigations to ensure that they are satisfied—and that there is, equally, a correlation with the recklessness test that appears later on as to whether an offence is triggered? Does he agree that a combination of those steps could lead to uncertainty, which I assume relates to the good faith that he is trying to achieve?

Mr. Djanogly: My hon. Friend makes an interesting and valid point that I hope will be taken on board and considered by the Minister as he reviews the provision as a whole.

Rob Marris: As I understand amendment 121, the hon. Gentleman seeks to apply a subjective test to actions that may have taken place under new section 54A(2)(a) and (b). However, the amendment does not narrow things that much. I can see the mischief in subsection (2) that he is trying to address, but his amendment does not refer to that subsection, so it seems too widely drawn.

Mr. Djanogly: The hon. Gentleman may have a point. We presented two defences that need to be reviewed, and perhaps they are not as connected as they should be—something that we can review. He agreed conceptually with one of the defences that I advanced, and found interest in the other one as well, so we are talking along the same lines to a great extent. I agree that we would want to look at amendment 122 further as we moved on to the later stages, and that will be done in the other place.

5 pm

Amendment 8 was tabled by the hon. Member for Leeds, North-East (Mr. Hamilton). It would require future donation and transaction reports published pursuant to section 62 of PPERA which relate to a relevant donation by an unincorporated association to include the names and addresses of all donors donating £5,000 or more to that unincorporated association, and the names and addresses of all of the members of that association. Essentially, it is a look-through provision in respect of which we agree with the Electoral Commission: it is too widely drawn, such that it is onerous and disproportionate. I do not want to spend too long on it because it has been effectively superseded by Government new clause 20, which we will come to in a later grouping.

Finally, I address our amendments 123, 126, 127, 128, 130, 132, 134, 135, 136, 137, 138 and 139, which all provide for indexation of the remaining threshold sums. As I said, we believe that they are important provisions that will ensure that inflation does not leave the thresholds at an excessively low real level, and that the figures will increase in line with inflation. Some have said that they do not like the proposals or that there is no practical need for them for various reasons, including that section 155 of the 2000 Act already allows the Government to increase thresholds to reflect changes in the value of money. That is all very well in theory, but in practice, Parliament will have other things to do than reconsider those figures annually. That is why such provisions should go into the Bill, and why we were happy to hear from the Minister that that point has been conceded by the Government. We look forward to receiving his amendments during further stages in the other place; I also appreciate his point about the need for a rounding figure to keep the figures clear and unconfusing. We will be open-minded on how such a provision is best put into effect.

David Howarth: This is one of those odd occasions where I was in favour of the new clause the Minister was proposing until I heard his reasons for it. I could have understood an argument that said, "These figures take no account of the rate of inflation since 2000, and there is a need to stick to round figures because people do not understand small fractions, so one may as well increase the number upwards to the next round figure and leave it at that for a long time." The figures are nine years short of where indexation would normally get us, so one could then have said, "We don't intend to change the figures for a while." That would be especially important given the fact that inflation is now very low—in fact, we are looking at deflation.

Unfortunately, however, that was not the Minister's argument. He suddenly came out in favour of some form of indexation and said that the figures should be increased now and then indexed. That is going too far in the direction of reducing transparency. The Minister quite rightly said that we do not have any scientific evidence about public opinion on this matter, but I caution him against making too many assumptions about whether public opinion would find what he proposes acceptable. I would be happy for him to do some research to show me that I am wrong, but to increase the figures by 50 per cent. and also to index, is to lay ourselves open to a charge that we are going too far in one go.

Mr. Wills: I do not want to interrupt the hon. Gentleman unduly, but I did make the point that we are all making judgments about the matter. I am not making any assumptions and we are making the best judgment that we can. I have certainly said, quite explicitly, that if our judgment about the matter is proved wrong, we shall be happy to revisit it. There is no science about the matter and I can assure him that I am not making too many assumptions.

David Howarth: I am glad to hear the Minister being suitably modest about his proposal, but I would have preferred him to have given a more positive reply to the suggestion made by the hon. Member for Battersea (Martin Linton) to have a review only once a Parliament, given the uplift suggested in the figures. Indeed, a revision once every two Parliaments might be appropriate, given the size of the initial uplift.

There is also an interaction between new clause 19 and new clause 1. In a way, it makes no sense to decide on new clause 19 until we have decided on new clause 1, because we have to decide whether transparency will be the only mechanism for controlling donations, as it currently is. Where transparency is the only mechanism, there is a very strong case indeed for making that transparency provision as strong as possible and for keeping the limits as low as possible.

However, if we were to adopt a cap, that would be the primary way of maintaining the public's confidence that—to use the Minister's words—people are not buying

influence in politics. The transparency provisions would then provide a secondary way of maintaining that confidence. In those circumstances, one might come to different conclusions about where the transparency line should be drawn. I do not intend to divide the House on new clause 19, but given what the Minister said, I am rather more worried about it now than I was when we started our consideration of it.

The hon. Member for Huntingdon (Mr. Djanogly) said that he would like a Division on amendment 121. However, I will not be able to support him, and not just because of the technical reason—in fact, it is far more than a technical reason; it is an important reason—that I gave in an intervention. His amendment 121 would make the commission of a criminal offence dependent on what an administrative agency later decided about the circumstances that prevailed when the defendant acted. That can never be the right way to write a criminal offence.

However, that is not my only reason. Rather, I am entirely puzzled about how the defence would work in the precise circumstances that the hon. Gentleman described. As was made clear in an intervention on him, the Bill suggests that

"A person who knowingly or recklessly makes a false declaration under this section commits an offence."

However, after that he wants the Bill to say that it is not an offence if,

"in the reasonable opinion of the Commission, the person had no intention of making, or by innocent mistake made, a false declaration".

I just cannot see how one can knowingly make a false declaration innocently. If someone makes a false declaration and they intend it to be false, it can never be made innocently.

The only circumstances that have been raised are those where someone has been reckless, but what does recklessness mean in such circumstances? It means knowingly—consciously, subjectively—not caring whether what one says is true or false. I cannot see how that can ever be done innocently either. I am afraid, therefore, that I cannot support amendment 121.

The crucial question in all the amendments that we are considering is public confidence.

Mr. Djanogly: Is the hon. Gentleman therefore saying that he will not support the insertion into the Bill of any provisions to deal with innocent mistakes?

David Howarth: As the Minister said, it depends what the offence is. There is scope for an innocent mistake defence where the offence is strict, or somewhat strict, in the way that it is drawn up. However, where the offence is one of knowingly or recklessly making a false statement, it is difficult to imagine any circumstances where that could be done innocently.

As I said, the key criterion in all these debates is public confidence, and my doubts about new clause 19—although not enough to encourage me to divide the House—are based on precisely that issue. Will the changes maintain public confidence? My reason for opposing amendment 121 is exactly the same, because I do not think that making contradictory laws ever maintains public confidence.

James Duddridge: I welcome the Minister's attitude towards new clause 19. As a result, my comments will be quite brief. I welcome the increased donation limits, because they will mean that political parties will be less reliant on public money, trade union money and businesses' money, which is bound to be a good thing.

I would welcome hearing from the Minister by how much he predicts overall private donations will increase as a result of the increased thresholds. Some people who now donate at a level just below the threshold will donate at a level just below the new, higher threshold. That is not for any criminal reason, or for any other reason that might make us uncomfortable. I can give the House three examples of people to whom I have spoken about this. The first is a bailiff, who wanted to contribute to a political party, but who did not want his name in the public domain, and who has a policy of keeping his name and address private. The second was a constituent who had won quite a bit of money on the national lottery, and who was conscious of the need to keep their name out of the public eye for fear of receiving unsolicited requests for donations. The third was a relatively junior civil servant who wanted to make quite a large contribution to a political party, but who felt that that might go against them in their workplace.

Conversely, some people might increase the amount of money they donate because they want it to appear on the register. For example, I was considering making a £50 donation, having met Rebecca Harris, the Conservative candidate in Castle Point. That would have been below the £200 threshold. I am actually incredibly proud of wanting to make that donation, and I think that I shall increase it to £201, so that it can go on the record, as part of the attempt to bring greater democracy and accountability to Parliament, rather than having to wait until the threshold goes up to £500 to make the same point. That would also be an awful lot more expensive for my pocket. So Castle Point Conservatives can expect a £201 donation from me as a result of this debate.

Mrs. Eleanor Laing (Epping Forest) (Con): We all want to make a donation.

James Duddridge: This seems to be quite popular. Perhaps I will arrange a whip-round after the debate.

I am grateful to the Minister for taking on board the points that have been raised about indexation. I am slightly concerned, however, given the very useful evidence sessions and the large number of very useful Committee sittings, that the Government did not table these amendments earlier. It would have assisted them if there had been a greater gap between the evidence sessions and the Committee sittings, so that they could have tabled amendments to be considered by this House rather than another place. Sometimes, the devil is in the detail and, all things remaining equal, I can imagine the House of Lords being less aware of electoral practices, and our getting into a position in which the system becomes more complex than it needs to be.

In addition to indexation, I want to talk about how the threshold is raised. I am minded to think that the idea of raising it at a general election is a good one. In that way, there would not be a problem with raising it from £500 to £512. I think that we should raise it to a round number—perhaps £550 or £600. In relation to wanting to raise the maximum amount of revenue from

[James Duddridge]

private individuals, will the Minister give consideration to years in which there are two general elections, as happened in 1974? Heaven forbid that we should find ourselves in that position in 15 months' time, or before, if the country remains undecided about who they want to solve the problems that the Government have got us into. However, if we do end up in that position, we, as politicians, would surely want private individuals to be able to contribute twice the annual limit, rather than being constrained by that limit.

On new clause 19, which I shall deal with before briefly concluding on amendment 121, will the Minister look at connected parties? Although I fully endorse the movement from £200 to £500, if a family of five adults all contributed a smidgeon under £500, that would amount to £2,500 and over an electoral cycle of four years—the norm, if the Government are not running scared and so go the full term—it would mean a donation of £10,000. In addition, if those five individuals living under the same roof set up an unincorporated association, they could yet again make an even larger contribution. I would appreciate it if the Minister, as well as making concessions on new clause 19, looked again at connected parties.

5.15 pm

Finally, if we are to get people to donate the maximum amount from their own pockets rather than relying on the state, the trade unions and business, it is essential for the Government to take a close look at amendment 121 and associated issues. People wishing to donate money should not be assumed to be buying influence or to be potential criminals. Innocent mistakes can happen, and everything the Bill does should encourage people to make political donations, and, indeed, to be proud of making them and proud to back the vitality of our democracy. They should not be fearful of being hauled through the courts for a minor misdemeanour.

Mr. Wills: We have had an interesting discussion. We have heard what people said and we have taken most of the concerns into account. I am not sure that I agree that we are striking the wrong balance, as the hon. Member for Cambridge (David Howarth) suggested we were; we have done our best to strike it in a way that will sustain and endure. As I said, if we have got the judgment wrong, we will be happy to return to it. We think that this is a sensible way forward and we hope that the Opposition will reconsider their decision to vote on amendment 121, which I think they might regret in times to come, but it is a matter for them. I commend the Government new clause.

Question put and agreed to.

New clause 19 accordingly read a Second time, and added to the Bill.

New Clause 1

£50,000 CAP ON DONATIONS

'(1) In section 54 of the 2000 Act, after subsection (1) there is inserted—

"(1A) A donation received by a registered party from a permissible donor must not be accepted by the party in so far as the amount of that donation and of any other donations accepted by the party from that donor during the same calendar year exceeds £50,000.

(1B) Subsection (1A) does not apply to donations to which subsections (1) and (2) of section 55 apply.".

(2) In section 56 of the 2000 Act, after subsection (2) there is inserted—

"(2A) If a registered party receives a donation which it is prohibited from accepting by virtue of section 54(1A), subsection (2) applies to that donation only in so far as the amount of that donation and of any other donations accepted by the party from that donor during the same calendar year exceeds £50,000.".

(3) In subsection 58(1)(a) of the 2000 Act, after "(b)", there is inserted "or (1A)".—*(David Howarth.)*

Brought up, and read the First time.

David Howarth: I beg to move, That the clause be read a Second time.

New clause 1 simply introduces a £50,000 cap on donations to political parties by any particular person in any calendar year. In the long discussions about the Bill, which is supposed to be about political parties and their funding, this is the first time that we have been able to debate the central issue of whether transparency in donations—as we have discussed over the last hour and a half—is enough, or whether, as I and my party believe, there should be far stricter control than just knowing who donated money, as we need to limit the amount donated itself.

Our proposals in this new clause were part of the compromise package put forward as a result of talks under the chairmanship of Sir Hayden Phillips—talks that seemed fruitful for a while, but in the end failed to produce proposals that all parties supported. However, while those talks were going on, this particular proposal for a donation cap at around £50,000 gained support on all sides, so I would be astonished if it were opposed today by parties and politicians who previously supported it.

Mr. Straw: I hope to expand on this point if I catch your eye, Madam Deputy Speaker, but does the hon. Gentleman accept that Hayden Phillips made his proposal for a donation limit of £50,000 as part of a comprehensive package, which included state funding, and that he said words to the effect, "You cannot have one without the other"? I think he used the phrase, "There can be no cherry-picking; this is a comprehensive package."

David Howarth: Sir Hayden Phillips did say that it was a comprehensive package, but I understand that the talks never got to the discussion of state funding. Later in my speech, I shall get to precisely that point, because it is important to understand exactly what effect a £50,000 cap would have on the existing parties, the extent to which it would produce a funding gap for the parties and the extent to which state funding would be required to fill that gap, if at all. If the Secretary of State will forgive me, I shall return to that.

The point of a donation cap is to undermine the perception and the reality that big money buys access to political power. There is no point going through all the examples that have been thrown by one party against other parties over the past 10 or 15 years—cash or donations for peerages, changes in policy, support for this initiative or that. The bandying about of names, on all sides, gets us nowhere.

Mr. Mark Field (Cities of London and Westminster) (Con): I am listening with great interest to what the hon. Gentleman has to say. Given his concern in relation

about the perception that big money, as he puts it, is buying influence, why set the cap at £50,000? Surely it should be considerably lower, although the great British public at large would think even such a sum one that could influence decision making or give access to politicians.

David Howarth: I was going to come to that point later, too, because my view—as well as that of my party and my party leader, my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg)—is that to restore public confidence we will have to set the cap much lower than £50,000. We tabled an amendment in Committee, which was never discussed, that the limit should be £10,000. We have suggested £50,000 because it is what the Conservative party and its leader proposed. If the hon. Member for Cities of London and Westminster (Mr. Field) wants to oppose his party leader's view, so be it, but we are trying to operate within a rough consensus that previously existed.

Mr. Field: The issue, in part, is that we, as Members of Parliament, have a limit set of 1 per cent. of our salary. We have to be transparent about any donations we have or any moneys that come in relation to any entertainment—in other words, about £620. I fail to understand why—other than purely for party political advantage to the Liberal Democrats—the hon. Gentleman wants to set a limit of £50,000, or as he now desires, £10,000. Surely the issue here is transparency, as we discussed earlier in the debate. Provided everything is transparent, surely that is the right way forward that will reassure the public that there is openness on those matters.

David Howarth: No, the issue is not only transparency, but whether public confidence can be maintained solely by transparency. The conclusion that all the parties reached as part of the Hayden Phillips process was that transparency by itself was not enough. The perception that access could be bought and that donations were being given with strings could be challenged only by having a cap on the size of the donation.

Throughout the debates in Committee, the Minister said—this is right—that some people give money to political parties without strings and for the good of the cause, and that that is a good thing. The trouble with that is that everyone knows that sometimes the money is given, or offered, not for that purpose but in return for the prospect of access or in return for influence. The question of perception is vital to the issue before us.

Tony Lloyd (Manchester, Central) (Lab): The hon. Gentleman will be aware that I have an interest as chair of the trade union group of Labour MPs, but does he not recognise that there is a fundamental difference between the donations of an individual and the donations of a corporate body such as a trade union that operates collectively, which consist of small contributions from many people? The passing of the new clause would thus do real damage to the historic relationship—of which, admittedly, the hon. Gentleman may not approve—between my party and the trade unions.

David Howarth: I was going to deal with that point later, but let me make something absolutely clear now. Hayden Phillips also said that there must be a fair way of dealing with the relationship between the Labour party and the unions. I do not seek to undermine the existence of the Labour party through any measure that I propose today. A later group contains a new clause which I hope will deal with the question in a fair way by distinguishing between donations from trade unions and affiliation fees that are in reality—this meets the hon. Gentleman's point at least to some extent—the agglomeration of many small donations. I am perfectly happy to allow that situation to continue, as long as the trade union itself makes clear to its members that they can choose whether or not to donate to a political party.

Tony Lloyd *rose—*

Hilary Armstrong (North-West Durham) (Lab) *rose—*

David Howarth: If I can be allowed to finish this point, I will let hon. Members intervene afterwards.

I propose that the trade unions follow a code of practice issued by the Electoral Commission relating to information that they give their members about their ability to opt out of the political fund, including information about what members must do to opt out, and what was done with the money paid into the fund in recent years. As long as the code of practice was followed, I should be happy to allow affiliation fees to continue to be paid as they are now.

5.30 pm

Beyond affiliation fees are donations from trade unions, which are a different matter. A donation from a trade union should be treated in the same way as a donation from a plc or other limited company to the Conservative or, indeed, the Labour party. Let me return to my central point: I am not proposing measures that would destroy the funding base of the Labour party. That is not my intention.

Tony Lloyd: This goes to the heart of the debate. Although the hon. Gentleman—supported by the Scottish nationalists, incidentally—says that he does not wish to attack the link between the unions and the Labour party, his new clause would have precisely that effect.

The hon. Gentleman may honestly argue that he sees a distinction, but he should bear in mind that many trade union members, even those affiliated to the Labour party, do not contribute to the political fund and thus do not contribute to the Labour party, because union membership is not synonymous with support for the Labour party, either political or financial. The distinction that the hon. Gentleman thinks he draws does not exist, and, what is more, his new clause in its present form would damage the Labour party. He may say that that is not his intention, but he should understand that the new clause would do precisely what he claims that he does not want to do.

David Howarth: If the hon. Gentleman looks at new clause 8, he will see the overall intention of the Liberal Democrats. To some extent, it is unfortunate that the grouping of the new clauses means that new clause 1 is being considered alone, so I concede the technical point that new clause 1 without new clause 8 would indeed have the effect of stopping donations of any sort, including affiliation fees, by a trade union to the Labour party. However, the hon. Gentleman needs to look at

[David Howarth]

new clause 8 as well as new clause 1 to see our overall intention, which is not to undermine in any radical way the relationship between the trade unions and the Labour party, but to control that relationship in a way that is fair and equitable across the other political parties and their financial relationships.

Mr. Djanogly: The debate is becoming more complicated, but does the hon. Gentleman accept the basic premise that new clause 1 is unacceptable without at the same time putting in place provisions for dealing with trade unions?

David Howarth: One of the fundamental points from the Hayden Phillips talks was that we need to come together on three issues: donation caps, how they specifically affect trade unions and the relationship between the unions and the Labour party, and spending caps—it is a shame that the grouping does not allow us to talk about them all in one go. The national situation with regard to spending needs to be controlled as part of the whole package.

Pete Wishart: Does the hon. Gentleman agree that the Labour party's attempt to evade unions being part of the whole settlement solution stretches credibility to the absolute limit? More than anything else, the measure is about transparency and choice—individual trade union members having choice about where their political fund money goes and transparency in the process so that they can see throughout exactly what contribution that money makes.

David Howarth: That is precisely right and it is what we are trying to achieve. The hon. Member for Manchester, Central (Tony Lloyd) is correct in that trade union members who do not contribute to the political fund should not in any way be contributing to a political party, because donations other than those from a political fund are not allowed in law. Nevertheless, the political fund is not limited to affiliations; it can spend on donations as well as affiliations, so it does not follow, as the hon. Gentleman seems to think, that if a union makes a payment from the political fund it is automatically an affiliation. That is not the case.

Martin Linton: Does the hon. Gentleman not accept that any money that finds its way into the political fund of a union affiliated to the Labour party or any other party has done so only after the union has collectively voted to set up or continue a political fund and only after individual members have used, or not used, the procedure for individually opting out? I support the general concept of a cap on donations, but surely the hon. Gentleman is doing precisely the opposite of what he proposed—he is bringing forward one element of the package without resolving the key issue of the status of donations from trade unions, which I maintain should not be captured by the limit.

David Howarth: The hon. Gentleman must forgive me. I am not bringing forward the single element of the package; the House authorities have managed to do that by not grouping new clauses 1 and 8 together as I would have done if I had had my way.

The hon. Gentleman makes a crucial point about individual affiliation and payments to a political fund. The key point is that individuals know what is happening and are clearly able to opt out if that is what they want. All Members who have had anything to do with unions in the course of their lives—I have had a lot to do with them from my early childhood—know that some unions are more open and their political fund is easier to opt out of than others. As I mentioned at Second Reading, when my wife tried to join the union Unite she found it very difficult to opt out of the political levy, even though in the circumstances she did not feel like donating money to a party that was trying to oust me from my seat—[Hon. Members: "She might have."] She might, but I can assure the House that she did not. The point is that the Electoral Commission should lay down clear guidelines about what counts as sufficient clarity in union rules and documentation to satisfy the commission that the union is giving its members a clear, open and transparent choice.

Bob Spink: The hon. Gentleman is right to say that public perception is the acid test. I tend to support the direction of new clause 1, provided that it is linked to new clause 8, as he explained it was. It achieves the balance for which Labour Front Benchers called in an earlier debate. On the Hayden Phillips spending-caps pillar, can the hon. Gentleman advise the House? If there were a £50,000 limit, except for trade unions in certain circumstances, what would that give the main political parties? Has he done any research on that? I congratulate him on the way in which he has brought the debate forward; it is excellent.

David Howarth: A set of figures available from the Electoral Commission and on the parties' websites gives us a clue as to what might happen if there were a £50,000 cap. We have to make certain assumptions. One of them is that a donation of more than £50,000 would become a donation of £50,000—that is, that the whole donation would not be lost, and that only anything above £50,000 would be lost. We also have to make assumptions about how a scheme like that in new clause 8 would apply, because there is a distinction between affiliation, which would continue to be allowed, and donations to which the cap would apply.

With all those caveats, I suggest that the situation would be as follows. The three main English parties, if I may put it that way in the presence of the hon. Member for Perth and North Perthshire (Pete Wishart)—the British parties, or, as the First Minister of Scotland says, the London parties—spend about £62 million in a typical non-election year, if we take 2008 as a typical year. However, it is worth saying that in a non-election year, they often have, between them, a surplus of about £10 million, so they actually raise about £72 million. If a £50,000 cap or something similar were in place—I think that this goes some way towards answering the question that the Secretary of State posed—it would have the effect of reducing the total income of the parties by some £10 million. Of course, that £10 million would not be distributed evenly among the three parties, but then the Labour party spends about £25 million a year, and the Conservatives about £32 million. The Liberal Democrats spend about £3 million or £4 million a year. The losses for the Liberal Democrats would be proportionately small, but at about the same sort of level as the losses of the other parties.

To come back to the point that the Secretary of State raised, the question is whether that would be such a devastating loss for the political parties that they would have to go cap in hand to the Government and ask for state funding. For a number of reasons, I do not think that they would necessarily be in that bad a position. The first reason is the surplus. The loss is about the same as the annual surplus, although the counter-argument is that the surplus is accumulated in non-election years and spent in election years. Even if we put the surplus to one side, a reduction of 15 or 16 per cent., although difficult to make in one go, is not, in my view, entirely out of the question for the political parties, especially the two bigger parties.

Dr. Alan Whitehead (Southampton, Test) (Lab): Is not the hon. Gentleman making the case that new clause 1 is unfortunately detached not only from new clause 8, but from new clause 10, which his party put forward? As Hayden Phillips—and, indeed, Select Committees—suggested, such arrangements need to lean on each other and cannot be separated from each other, if the logic is to work. Proposing an amendment that is entirely separated from a number of others as though it stood on its own appears to defeat the logic, which is to show how things might work overall.

David Howarth: My view is that those three elements stand together. I would never have separated new clause 1 from new clause 10 either. The spending cap goes along with the donation cap, because it would remove part of the problem of parties trying to outspend one another for the sake of it.

It is right that the effect on the parties of a £50,000 cap should be seen in the context of having a spending cap as well. What could the parties do in the medium term to deal with the gap that would be created by such a cap? It seems to me that they could do a lot of things. First, the Conservative party employs several very highly paid people, whose salaries are said to be in the region of a quarter or a third of a million pounds a year. Certain economies are therefore quite easy. Secondly, we all know that parties waste a lot of money on campaign techniques whose efficacy is far from established. The best example is billboards, which are massively expensive and do not seem to shift any votes at all.

Thirdly—I suppose I would say this, as a Liberal Democrat—the Government are fond of benchmarking public services. They say, "Let's look at an area of the country that provides a service the most cheaply and ask the other parts of the country, which supply the same thing more expensively, why they are so expensive." As a Liberal Democrat, all that I can say is that we manage to run a national political party with £3 million, and the other parties should be asked why they need 10 times that amount to run their parties.

Mr. Straw: The other parties have rather more seats, and they aspire to Government, which makes a difference. If the hon. Gentleman wants benchmarking, I would be delighted for the Advertising Standards Authority to be given the role of benchmarking "Focus" leaflets.

May I press the hon. Gentleman on state funding? Hayden Phillips was clear that state funding should be part of any donation limit package, but so too was the hon. Gentleman when he signed up to the Select Committee on Constitutional Affairs report, which stated, at paragraph 109:

"However, such a limit"—

on donations—

"should only be considered within the broader context of a discussion about alternative sources of funding, including state funding, for political parties."

There is nothing there about reducing overall funding. I have checked the minutes, and he did not demur from that recommendation, so why has he changed his mind now?

David Howarth: As the Secretary of State says, the conclusion was that a donations limit should be considered in the context of state funding and other forms of funding. One obvious form of funding is to raise money in small amounts, as Barack Obama's campaign in the US did. One of the great attractions to party fundraisers of the possibility of very large donations is that only a few big donations are needed for the required money to be raised. In the United States, where the donation cap is very low, techniques have been developed to raise money in smaller amounts but in large numbers.

The question to consider is whether it would be necessary for parties to receive large amounts of state funding on a permanent basis, which the Government keep implying would be the inevitable result of a donation cap. I do not believe that it would be necessary. The amount of state funding required would be quite modest, and whether there would be any need for it to be provided on a permanent basis is an open question. We must therefore ask whether it is true that we could not introduce a donation cap without already having worked out some elaborate and permanent state funding scheme. I do not believe that that would be necessary, because in the context of the spending cap and the relationship between the Labour party and the unions, the donation cap stands by itself. It does not need those further measures.

5.45 pm

Martin Linton: Surely, the hon. Gentleman knows that we already have a system in this country that long pre-dates what is now current in the United States or Canada and that involves marshalling a large number of small donations—it is known as the political levy—and he still has not answered my point. Quite apart from affiliation fees, does he not recognise that the money that ends up in the political funds of trade unions has been put there after a collective decision in the political fund ballot and after a series of individual decisions not to contract out of the political fund levy? The money is there as a result of many small decisions by individuals.

David Howarth: Yes, the money goes in by individual decision, but it comes out by collective decision and, for that precise reason, it should be treated as a donation, unless one can show that it is, indeed, an affiliation fee being passed on individually. That is the whole point of the distinction between affiliation fees and donations that Hayden Phillips was trying to make. I do not want to delay the House much further.

Hilary Armstrong: Will the hon. Gentleman give way?

David Howarth: Yes, I will give way, because the right hon. Lady probably wants to deal with the point that I am making.

Hilary Armstrong: No, my intervention is not on that point, although I should like to debate it with the hon. Gentleman at some stage. He started off by saying that the main thrust of the new clause came from the wish to change the public's perception of political giving and raising money for political parties. Has he any evidence that his proposed cap would have any effect on public perception?

David Howarth: Any cap would make such a big gesture in the direction of self-control by those of us in politics that it would have an enormous effect, simply by saying that we are willing at long last to control ourselves in a way that we have never been willing to do until now.

Tony Lloyd: I am grateful to the hon. Gentleman; he is being very generous with interventions. Many people—I am one of them—believe that the public really want restraint on spending and transparency about donations. Clearly, that is almost the opposite of what he is proposing and of what the Liberal Democrats believe in.

David Howarth: I cannot understand how the hon. Gentleman thinks that our proposal is the opposite, because we want both an effective national spending limit all year, every year, not just sometimes, and an effective local spending limit all the time as well, in combination with a cap. The restoration of public confidence depends on having both those things, not just one of them. We often hear arguments that one side wants transparency on donations but is willing to have a cap on spending and that the other side wants things the other way around, depending on what is to its short-term advantage. That is not good enough; we need both spending and donation caps simultaneously all the time.

Pete Wishart: I agree wholeheartedly with what the hon. Gentleman is trying to achieve. Is not one of the good things about his proposal that we would end the obscene situation whereby individuals gave the Labour party £1 million and found themselves sitting in the House of Lords?

David Howarth: We would also end the situation whereby individuals gave the Labour party £1 million to change a policy and it all came out in public, so the Labour party gave back the money, but the policy still stayed changed. That seems to me to be the best-value donation of all time. However, it does not do a lot of good for any of us to bandy around the names of individuals in one party or another who have been found to have done something of no credit to politics. The question is whether what we are allowing is a credit to politics and to our democracy.

James Brokenshire: Before the hon. Gentleman draws his comments to a conclusion, I just want to make sure I fully understand what he is saying about the funding gap and the interrelationship between his proposal and the need for state funding or other sorts of funding. I think he was implying that he felt that that was not necessary. However, when he and I sat on the Constitutional Affairs Committee and produced the report on party funding, it was accepted that there would be a funding gap, and that, in essence, the sorts of individualised funding that could come through would do so only after a time, and that something would be required for that transition period.

David Howarth: Yes, I concede that there would be a gap, but it is a gap in time rather than a permanent gap in terms of money. I agree that there might well be an interim period when something will be needed, but that would not have to be on a straightforward Treasury grant model, as the Government seem to assume.

Mr. Winnick: I hope I am not making a party point here—heaven forbid!—but although the hon. Gentleman, whom I respect, was speaking about not bandying names around, may I ask him whether he feels it would be appropriate for his party to return money given by Michael Brown, who, as the hon. Gentleman knows, was convicted of criminal offences? Should not that money be returned, and would that not help the Liberal Democrats, in the sense that it would demonstrate—

Madam Deputy Speaker (Sylvia Heal): Order. We are discussing a specific amendment, and the hon. Gentleman must be careful in what he says.

David Howarth: I do not want to stray from the subject of the debate, Madam Deputy Speaker, but in that particular case if the authorities were to say that the money ought to be given to the Electoral Commission—rather than back to the individual concerned as that would be inappropriate in the circumstances—I am sure my party would comply immediately. I might add that the parallels between that situation and what has happened in the cricket world are very striking.

Let me cover the final argument that the Government have used for not going ahead with the Hayden Phillips compromise: that there is no consensus in favour of it. That is simply a cop-out. What we should be doing is looking at where the public are at, not at where the individual parties are at, and we should be going to where the public want us to go. On the specific question of consensus, I would be surprised if there were consensus today about the unincorporated bodies issue—there is agreement between my party and the Labour party, but I would be surprised if the Conservative party were massively enthusiastic about the proposed regulation of unincorporated bodies—yet the Government have decided to move on that. My party's view is that they should move on the reform of this whole area, not just on individual items of it.

Mr. Straw: I am glad that we have an opportunity to discuss the crucial issue of the role, if any, of donation caps in a properly transparent system of party funding that commands the greatest degree of public acceptability. This issue was first considered at great length by the Committee on Standards in Public Life, which examined it in 1997, after the general election of that year; and in its landmark report of 1998, under its then chairman, Lord Neill, it set out its view of the case for and against donation caps, because—surprise, surprise!—the Liberal Democrats were at that time urging on the Neill committee donation caps of £50,000. At least on this occasion, therefore, the Liberal Democrats have the benefit of consistency on their side. That is an accusation that can rarely be made against them, but I do so today, although it also suggests that they might have been somewhat immune to experience in the meantime.

The Neill report placed the burden of its recommendations on the crucial issue of transparency. On that issue, the hon. Member for Cambridge (David Howarth) made a very bad point for himself, but a good point for the rest of us, when he referred—in rather delphic terms, but we might as well refer to it publicly—to the Ecclestone donation to the Labour party, which emerged, with a certain amount of excitement, in the autumn of 1997. That donation was made under the old regime—the untransparent regime—whereby donors were entitled to request confidentiality for their donation, and I recollect, although I am open to correction, that that is what happened. The profound change made by the Political Parties, Elections and Referendums Act 2000 was that that donation, which was well above the £5,000 limit, would have had to be on the record and be declared by the Labour party. People could then have made up their own minds about whether undue influence was being brought to bear. If the purpose of giving the money was, as it were, to purchase a policy, the donor might well have decided that, as there would be total transparency, it might not be such a good idea. I am pretty certain that none of the problems that arose would have arisen had the provisions of the 2000 Act been in force in 1997. Therefore, this is a point for those of us who believe above all in transparency, and in doing nothing that might undermine a transparent regime.

Neill considered the whole issue of transparency and donation caps. He was very clear about the need for transparency and the caps, which have broadly stood the test of time, notwithstanding the fact that we and the Opposition accept that the limits must be increased. The committee came down against a donation cap, however, and I ask the House to weigh its words with great care:

"The individual or company wanting to give might consider that the cap infringed a basic right and there would be a strong temptation to seek to evade the limit, perhaps by spreading resources amongst friends and relations or by setting up subsidiary companies in order to legitimise any donation by sub-dividing it. There would be no easy way to detect such a stratagem, nor to enforce the cap. In our view, the panoply of rules and bureaucracy which we believe would be required to enforce such a system would not be justified by the purpose of the cap".

Hilary Armstrong: I intervened on the hon. Member for Cambridge (David Howarth) precisely because his new clause would create such diffusion and lack of clarity about who had given a donation that, far from public confidence being improved, public cynicism would be increased.

Mr. Straw: I agree with that, and there is a nice paradox, which I am sure political scientists will exercise themselves in exploring in years to come: the more, quite properly, the public know about our activities, the less they appear to like them, even if they are entirely legitimate and above board. I think that Members will be aware of the very nice passage in Roy Jenkins's biography of Churchill, in which he records all the money Winston Churchill hoovered up from various nefarious sources, and suggests, with good evidence, that Churchill's career would never have got to the starting line had the degree of undue influence to which he was subject, and the extent of the donations that would now be regarded as wholly unacceptable, come out publicly. My right hon. Friend is absolutely right in what she says. There was a logical flaw in what the hon. Member for Cambridge was arguing: there is a balance to be achieved between transparency and complexity and artificiality, and the more there is the

"panoply of rules and bureaucracy"

to which the Neill committee referred, the less likely there is to be true transparency, and the more likely there is simply to be avoidance.

Mr. David Heath (Somerton and Frome) (LD): I am very disappointed by the position that the Lord Chancellor is now adopting, because the position that he and the then general secretary of the Labour party took in Sir Hayden Phillips' committee, on which I also served, seemed to accept the broad consensus on the need for caps on donations and on expenditure, on a recognition of the difference between affiliation fees and donations outside those fees on the part of trade unions, and on some of the abuses among what I accept is a small number of unions. They were affiliating more members than they had and were paying over a greater amount than they were collecting in affiliation fees, and that needed to be addressed. I am sad that the Lord Chancellor seems to be resiling from that broad consensus that we reached, albeit that the Conservatives, for reasons of their own, walked out at a later stage.

6 pm

Mr. Straw: The hon. Gentleman was a very participative member of the Hayden Phillips working party over many months. I did, indeed, on behalf of my party—I do not apologise for this—accept a number of compromises for the greater good. However, I have always made it clear that my starting point—I do not think that there is any dubiety about this—was that, in principle, I am not in favour of donation caps.

I shall deal with the hon. Member for Cambridge's dismissal of the idea of seeking a consensus between the parties—such a consensus is more essential in the area of party funding than in almost any other area. If there is no consensus, those who happen to be in the majority end up using their majority for partisan advantage, and that is completely antithetical to the idea of democracy. As both the hon. Member for Hornchurch (James Brokenshire) and I have mentioned, this idea of a donation cap was reconsidered when the Select Committee on Constitutional Affairs considered party funding in the 2006-07 Session. I was struck by the hon. Member for Cambridge's amnesia about what had happened in that Committee. I was not a member of it then and I am not now, but I do remember what it said—it made it clear that it was proposing a donation cap and state funding as part of a "package". Indeed, that was exactly how Hayden Phillips read those proposals, because he was considering the matter in parallel to the Constitutional Affairs Committee and, in a sense, took as his starting point for his proposals what was in its report, to which the hon. Member for Cambridge signed up.

James Brokenshire: Before the Secretary of State leaves that report, I just wish to understand why the Government's response to the Constitutional Affairs Committee report stated:

"At present, all three main parties in the UK are agreed in principle to some form of donation limit."

[James Brokenshire]

He seemed to suggest that he was not in favour of that in principle and was, therefore, in some way, demurring. It would be helpful to understand why that statement was made in those terms.

Mr. Straw: As I say, my starting point has always been the position that was taken by Neill and by my party, and by the Conservative party, its Front-Bench spokesman, the shadow Home Secretary and a panoply of Conservative Uncle Tom Cobleighs, who all said that they are not so keen on donation limits, for perfectly sound reasons. What we were involved with at the same time as Hayden Phillips—the hon. Member for Hornchurch will recall that the interim report was published in October 2006—was seeking a compromise with the other parties. We were not so keen on donation limits, but we were keen on spending limits—I have always been keen on those—and other parties were keen on other elements of this, and we came together to agree what I thought was a comprehensive package. Inevitably, in a negotiation, for a greater good, both for oneself and the purpose being served by the negotiation, one gets some things one wants and one has to accept some things one does not want—there has never been any dubiety about that.

When Hayden Phillips reported on 15 March 2007, he said:

"In this chapter"—

chapter 5—

"I recommend that the time is now right to introduce a higher level of public funding for political parties."

He set out a number of reasons, all of which the hon. Member for Cambridge appeared to dismiss. Sir Hayden stated:

"First, other measures proposed in this report would impose significant restrictions on the parties' freedom to raise their own funds, and new obligations in terms of compliance and reporting. These measures are in the public interest, and it is fair and reasonable to use public funds to help offset their financial impact.

Second, our political parties all face long-term financial instability because of the rising costs of their business, and it is this which has prompted them to follow the trend among large non-profit making groups to pursue large donations from wealthy individuals and organisations. Financial instability is the enemy of healthy politics, and an injection of public funds is merited if we are to maintain public confidence in our democracy.

Third, there is a widely discussed and lamented decline in democratic engagement in this country, manifested in falling election turnouts and falling party membership rolls. Properly targeted, public funding can make some contribution to reinvigorating the parties' drive to involve and engage more members of the public in political debate."

As I said to the hon. Member for Hornchurch, everybody accepted that in the spirit of compromise.

Hayden Phillips reflected those principles in his proposals at the end of July. It is simply inaccurate for the hon. Member for Cambridge to assert, as he did in his speech, that Hayden Phillips did not make specific proposals on party funding, because he did so in his report in March and again in the draft all-party agreement. The Liberal Democrats and the Labour party had initialled it but, for reasons that we need not go into at length, the Conservative party was unable to support it.

The agreement contained a great chunk on public funding with two linked schemes, stating:

"Two new schemes for public funding of political parties will be introduced".

It did not say "could" be introduced; it is explicit on the point, which is repeated in the annex to the White Paper on party funding that I published last June as a precursor to this Bill. The truth is that unless one is willing to accept gratuitously a major shortfall in party funding, one cannot—*[Interruption.]* The extent to which this would fall on one party as opposed to another depends on where one sets the limit, but it would never have an equal effect on all three parties, or even on the two main parties; at some levels it would hurt the Conservative party more than the Labour party and at other levels the opposite would be the case. I admire the way in which the hon. Member for Cambridge, in a spirit of alleged liberal non-partisanship, says that the Liberal Democrats will not be affected and that the fact that the Conservatives and Labour party will between them lose about £5 million or £6 million is neither here or there, because they would just cut their spending, thank you very much. That is not the way to achieve a consensus.

Philip Davies (Shipley) (Con): Perhaps the Secretary of State has hit the nail on the head. Does he agree that the problem we face in this debate is that the outside world probably thinks that each party's position depends on its own self-interest and that the bigger picture is lost? I believe that anybody, including trade unions, should be able to give whatever money they have freely. If trade unions wish to give their money, they should be free to do so—it is their decision. Does he agree that this subject often gets bogged down in the fact that most people think that each party is simply arguing a point on the basis of its own self-interest?

Mr. Straw: I agree with that. May I say something else on the issue of donation limits? I shall do so briefly, as I know other hon. Members wish to contribute. There is no doubt that the proposals from the Constitutional Affairs Committee, which were agreed by all sides, were predicated on the basis of state funding, as were the Hayden Phillips proposals and those that were discussed in the Hayden Phillips all-party talks. A donation limit would make any sense—and could gain my support and the Government's, for similar reasons to those that I believe have been expressed on many occasions by the hon. Member for Huntingdon (Mr. Djanogly)—only if it were part of a comprehensive package.

That then prompts the question about whether the time is now ripe for state funding. It would have been difficult to introduce in 2007, but in the midst of the worst recession we have seen since the war and when there is great demand on public finances and will be for some years to come, we would need to take leave of our senses to propose that hard-earned taxpayers' money should be used to support our political parties. If we wanted to make one decision that would ensure that the esteem in which we are held—which is not that high anyway—rocketed through the floor, it would be to introduce extensive state funding.

Andrew Mackinlay (Thurrock) (Lab): In Committee and earlier, I have been trying to follow the impact of the Bill on Northern Ireland political parties. In their

terms, £50,000 would be a very large amount. For example, is Sinn Fein required under existing legislation to have a separate cocoa tin for their moneys for Northern Ireland? If not, and it is a national party in terms of the whole of Ireland and can raise money in the Republic of Ireland—not to mention the US—how can we measure the cut-off point? If the national organisation in Dublin donates money to the north, is that seen as money from a donor? It is important that we know how all that will work, because Northern Ireland is a critical area for elections.

Mr. Straw: My hon. Friend raises a further issue of complexity, and we would have to think very hard before we went down that route. If he will forgive me, I will try to provide him with a more detailed answer should I catch your eye, Mr. Deputy Speaker, later to sum up the debate.

One last point that I wish to make about state funding and donation caps is something of a gypsy's warning. The Constitutional Affairs Committee waxed eloquent about the Canadian example, and how Prime Minister Chrétien had introduced a system of state funding with low spending and donation caps. This was the future, it said, and so it was—for a period. However, if political parties were to be significantly funded by the state, we should all remember the temptation for a Government who might be under pressure in terms of public finance to seek to use the money going to their opponents to political advantage.

Last year in Canada, notwithstanding the clear all-party agreement about state funding for political parties, Stephen Harper, the Prime Minister, decided—as part of an austerity package and without consulting the other parties—to propose that the state funding should be significantly cut. He was entitled to do that, but it led to paralysis in the Canadian Parliament. Had he not then prorogued Parliament peremptorily, it would have led to a motion of no confidence in him. It led to Parliament being suspended for many weeks, and he has now had to withdraw the proposal. That vulnerability to partisan advantage shows that not much good may flow from extensive state funding.

Pete Wishart: That was an interesting lesson from Canada, but the Secretary of State suggests that we should make no change in this critical and crucial part of this Bill, and continue with business as usual. The public will find that staggering, because it means that people will still be able to buy political influence by donating to political parties. It will be back to cash for honours and people giving £1 million to the Labour party so that they end up in the other place.

6.15 pm

Mr. Straw: First, the hon. Gentleman knows very well that there is not a shred of evidence in those allegations. Secondly, to the extent that the public know about donations, they do so because of legislation that we introduced. Unless there were good reasons for introducing donation caps, they would lead to less transparency, not more. That is not just my argument, or the Conservative party's. It was made, independently, by the Neill committee. Thirdly, if the hon. Gentleman wants donation caps, he will have to explain to Scottish electors why their taxes should be increased to pay for political parties. Finally, it is an insult to donors small and large to all political parties to suggest, imply or insinuate that the overwhelming majority do it to curry favour or to buy advantage. They do not. They do it because—and this may be a surprise to the SNP, which has only one, negative policy—they believe in the values of the party.

Mr. Djanogly: New clause 1, tabled by the hon. Member for Cambridge (David Howarth), proposes a cap on donations set at £50,000, which would be an annual limit. It would insert a new subsection 1A into section 54 of PPERA requiring that parties do not accept donations from a permissible donor if that donor had already donated £50,000 in the same calendar year.

Taken by itself, the new clause looks fairly straightforward, so I agree with the hon. Member for Cambridge that taking this new clause on its own is somewhat misleading, because it is of course a very complicated issue, as the Secretary of State set out. It is the unfortunate backdrop to the debate on new clause 1 and other new clauses tabled by the Liberal Democrats that secrecy and suspicion have long tainted the donation regime. However, as the Secretary of State pointed out, most people who make donations are honest and want to contribute to the societies in which they live through their donations to political parties.

As the Secretary of State said, the process started with Lord Neill's Committee on Standards in Public Life, and the subsequent inquiry, "The Funding of Political Parties in the United Kingdom". The Neill report was published in October 1998 and suggested, among other things, greater transparency in donations. While the Committee's report is relevant to the new clause, it did also pave the way for further work in the area of electoral reform, and the gauntlet was recently taken up by Sir Hayden Phillips. His report, published in March 2007, made several suggestions intended to breathe life into the democratic system and revive political engagement. Indeed, by his calculations, party membership had sunk from one in every 11 citizens 50 years ago to about one in 88 in 2007. That is a grave statistic that we should all think long and hard about.

Whatever Hayden Phillips thought about individual caps—and I heard a difference of opinion between the Secretary of State and the hon. Gentleman—we can accept for the purposes of this debate that his suggestions are, as a package, behind the new clause and others that the Liberal Democrats have tabled. However, we are concerned about the timing and whether this Bill is the correct forum in which to discuss such wide-scale reforms that have, for better or worse, been discounted so far.

David Howarth: The hon. Gentleman asked about the timing of the proposal. If not now, when? The Bill is about party political funding and comes after the Hayden Phillips talks. I cannot think of a better time to discuss caps.

Mr. Djanogly: The Hayden Phillips talks took place and, for one reason or another, were not completed. As far as we are concerned, they are ongoing business, but for the purposes of the Bill, they are not on the table. We can debate for ever and a day why the Hayden Phillips process failed. I hope my hon. Friend the Member for Chichester (Mr. Tyrie), who was present, will give us

[Mr. Djanogly]

the benefit of his experience. The harsh reality, which the Liberal Democrats seem to fail to recognise, is that what is on the table today is a Bill that, I agree, is somewhat lacklustre. The debate surrounding individual and collective caps is therefore a debate for another day.

In the report Hayden Phillips was keen to emphasise that a common approach cannot be delivered in the short term, and that consensus must be reached in finding a long-term solution. The Bill is designed to ensure that that Electoral Commission has adequate powers to deal with the provisions of PPERA. It introduces some transparency through reporting requirements and adjustments to thresholds. Yes, the Bill is a tinkering exercise rather than an overhaul, but the Conservative party will remain willing to seek that overhaul, even if that means moving back to the Hayden Phillips process or, as seems probable, beyond it.

Let us be clear that when we have that further debate we shall require a thorough review of the relationship between the trade unions and the Labour party. If we were to review the need for caps, we maintain that any legislation must address the whole spectrum of donations. We need to ensure that thorough coverage of all equivalent sources of funding is guaranteed. That, of course, includes donations from trade unions.

We understand and agree that limits on funding and spending should be up for debate, but implementing them in the Bill and allowing the union funding of Labour to remain unreformed—including, as the hon. Member for Cambridge said, the use of opt-out rather than opt-in to political funds and the inability to choose the party destination of political funds—would be very damaging.

There is a self-perpetuating cycle, and if we are to address comprehensively the issue of party funding, we need to deal with it in the same way as the Companies Act 2006 rightly provided for companies to have member votes to enable the company to give stated amounts to stated recipients. If any Labour Member thinks that we conceded that only to allow unions to vote on having a political fund every 10 years, they should think again. The hon. Member for Cambridge will not have our support for his amendment, although we recognise his position as a matter to be included in the wider debate on party funding that will take place in due course.

Mr. Tyrie: This has been a very interesting debate. The proceedings of the Neill committee have been set out in some detail, so I shall not repeat them.

The intentions of new clause 1 go to the heart of what we are trying to achieve in any reform of party funding, which is to restore trust in the source of donations. I would like to support new clause 1 in principle, as my Front-Bench team probably would, but not without qualification, as the hon. Member for Cambridge (David Howarth) agreed when he referred to a number of other clauses that he had tabled and other points that were not in those clauses. That is why he wanted to speak about trade union affiliation fees, state funding and other issues.

This is an area that we must clean up. The means by which parties fund themselves have contributed substantially to the loss of trust in them on the part of the electorate. The plain fact is that people believe that parties can be bought, and they may be right. Access, influence and even changes to legislation all appear to have been tradable over the past decade, not to mention the honours system. Those seem to have been traded for party cash by many parties for a long time, Lloyd George being the most salient example.

Allegations about my own party's activities and the relationship between the award of honours and senior corporate directorships at times in the 1980s did not always look 16 annas to the rupee to me. Then we have had Labour's recent crop of life peers, with a fair sprinkling of big donors among them. The big donor culture has created a perception of corruption and we must do something about it. No debate on the subject should fail to mention Michael Brown's millions donated to the Liberal party—he is now in jail—and the trade unions' donations, with which they appear to have bought considerable influence, in the Warwick agreement and in other ways.

The clause would end the big donor culture at a stroke. Some may argue for a cap of less than £50,000. I notice that the Liberal Democrats started to do that today. That, as the Lord Chancellor pointed out, is a flat contradiction of the Liberal party policy that has been around for several years.

Mr. Heath: The hon. Gentleman's memory deserts him. He must remember that during the talks I made it clear that I would have preferred a lower limit, but that I thought the £50,000 to which his party had agreed was a workable compromise. He must remember that.

Mr. Tyrie: I am on the record as saying many times that I would have preferred a lower limit, but my party's position is £50,000, and the hon. Gentleman's party's position was £50,000 at the time of the talks, in published documents. It seems now that that has gone, and the Liberal party has another public position.

It is a sad irony that while the issue has led to the public perception of corruption in politics to a higher level than I can remember, that has taken place at a time when politics has probably been less corrupt than in any previous era. One has only to cast one's mind back to Gladstone and the trading of consols in 1870s, his trading of Suez canal stock, and Lloyd George and the honours sales, which I have mentioned before. I am sorry that I keep going on about the Liberals. No doubt other parties were at it as well.

If we agree to new clause 1, we are still left with a crucial question: can parties fund themselves on so much less? The hon. Member for Cambridge started to discuss that. Could Labour do without trade unions, the Liberal party without its Browns or the Conservatives without their big donors? I think so, provided that several conditions are fulfilled. One is that there should be an overall spending cap nationally at a lower level than we have at present for general elections. The general election cap is £20 million and should be reduced to £15 million. That is Conservative party policy. I do not know whether it is Labour party policy; I could not tell after what I heard today. That is a cut of a third in real terms, which is a reasonable step.

Secondly, if we go ahead with the proposals, we must have some state funding, but I agree with those who said today that at a time of financial stringency, the public opposition to more state funding would be enormous,

and my sympathies would be with the public on that. We would do well to recall that existing levels of state funding for political parties are already very high. Roughly half of our party politics is funded by the state directly or indirectly—a much higher figure than is commonly supposed.

If there were more state funding along the lines set out in new clause 1, however, it would have to be based on a principle that the electorate could accept. It would have to be designed to encourage very local campaigning and a regeneration of grass-roots politics, and that would mean tax relief or match funding. It would also mean that cash-per-vote schemes, such as the Liberals have supported and the Conservatives considered in the 2005 proposals, and which were published at that time, would not be serious runners again for some time. I was never enthusiastic about those schemes, and I do not support them now. However, I do support match funding.

6.30 pm

Could the Conservative party cope without its big donors? It probably could; any campaigning benefits that parties pick up from the use of such money have to be offset against the negative publicity that comes with it. Something must also be made of the Lord Chancellor's point that a very high proportion of donations are honourably intended. It should be—and is, I think—a mark of a healthy democracy and polity that donors big and small should be prepared to donate money. It would be wrong to assume that all big donors are in it for access, honours and influence, although unfortunately a few of them are.

Any answer to the question whether parties can cope with the donations cap must also address the special and unique needs of the Labour party. As it stands, new clause 1 would limit trade unions to £50,000, because affiliation fees—rightly, in my view; there are also many supporters of the same view on the Labour side of the House—are treated as collective donations in law. The consolidation of the trade union movement would make the new clause particularly punitive for the Labour party, because that consolidation would reduce even further the number of donations that the trade unions could make to it. The trade unions are, of course, the Labour party's paymasters, directly and indirectly, on a huge scale. As I mentioned, the unions make no secret of their desire to influence Government policy; they often boast about their successes in print and in public.

We have to decide whether it is in the interests of British politics for us to carry on in that way. In my view, it cannot be right that in the 21st century a pressure group, or a collection of them, however steeped in tradition, should retain such an influential place in the life of a major political party. Parties, like democracy itself, must be aggregations of the decisions and will of individuals. The age of corporatism should be long gone. New clause 1 would end it, and that key ingredient of it attracts me.

Philip Davies: For me, the most important thing is transparency rather than a cap. My hon. Friend said that some people give donations to political parties seeking influence or something else in return. That may be so, but he seems to be suggesting that political parties are incapable of taking people's money without offering something in return. Surely the onus is on the political parties to take people's money but make it clear that absolutely nothing will be given in return.

Mr. Tyrie: There are two problems with that. First, we do not need to look in a crystal ball. We can read the book: we can see that political parties—this Government and previous ones—do appear to have given things in return for money, and on a sizeable scale. Secondly, even if the problem is only one of perception, it will not go away, and we need to deal with it.

I want to allude to the Hayden Phillips negotiations, which centred on the treatment of affiliation fees. Throughout that period, the Conservative position was absolutely clear, as it still is. Special treatment of affiliation fees can be considered as part of the introduction of a £50,000 cap. I mean "special" treatment, because logically a £50,000 cap should be accompanied by a complete restriction, meaning that only direct payments by individuals should be permitted as a legitimate source of funding for political parties. Corporate donations and donations from institutions and intermediaries, including trade unions, in which the individual is subsumed, should in the long run be restricted—and brought to an end after an interval. That point was set out in the Conservative party's proposals published in 2005.

Incidentally, this is also the view of many in the Labour party, although only a few are bold enough to speak up and say so. Matt Taylor, former adviser to Tony Blair, has set out in detail in print and in a number of speeches exactly the position that I have described. A good number of Blairites on the Government Benches have told me privately that they agree, although very few are prepared to put their heads above the parapet.

We are left with a crucial question. How could affiliation fees be allowed to cheat the logic of the £50,000 cap while upholding the principle that those donations are matters of individual choice? There are three requirements. First, there should be a genuine choice for an affiliated member. In the course of the Hayden Phillips investigations, we discovered that many affiliated members scarcely knew that they had made a donation to the Labour party. That, no doubt, accounts for the absurdity that, when polled, a majority of affiliated trade union members turn out to vote for political parties other than Labour. It beggars belief that they should want to donate to Labour while voting for the Scottish National party, the Liberal party or the Conservative party.

The second requirement must be that the choice should be extended to donations from other parties. Therefore the means by which the choice is presented to the affiliated member as he joins the trade union must enable him not only to choose not to give to one party, but to choose to give to another. The third requirement must be that the individual must periodically be given an opportunity to review his decision—in practice, that does not happen in many trade unions. That opportunity should be provided annually.

Before a decision is taken on whether to vote for the new clause, there is one large question to address. What would happen if the clause were introduced on to the statute book, but without any of the qualifying points that we, including the hon. Member for Cambridge, have made this afternoon? That question determines whether I would recommend to my party that it should support the clause. There would be several effects. The first would be that all parties were short of money. Does

[Mr. Tyrie]

that matter? I have already discussed that question. Spending on party politics in this country is already high and it could probably be brought down. Billboards have been mentioned, and numerous other savings could be made with no material damage to the fabric of our party political system.

Incidentally, I did a comparison, taking into account per capita income, between the amount spent in the recent US presidential election and in this country's last general election. To my surprise, I found that the numbers were broadly comparable—and without taking into account a costing of the party political broadcasts, which parties get free in this country but pay a fortune for in the United States. We already spend a lot of money on party politics in this country and I think that we could do the job with less. Of course, that is why we Conservatives support the reduction of the cap on general election spending from £20 million to £15 million.

New clause 1 would have a second big effect, which I would not find acceptable. The playing field would no longer be level; it would be fundamentally altered to the detriment of the Labour party. It would be grossly unfair to disadvantage a party without giving it any time to adjust, however reasonable the principles on which that adjustment was taking place. What kind of adjustment would it be? Well, Labour Members could start to devote some time to thinking about how to make use of their party's huge databases of affiliated members and find ways of turning some of them into genuine individual Labour party members like members of other parties, instead of just sitting there moaning about how this is an assault on the fabric of their constitution, which is, in legal terms, complete nonsense. However, I recognise that that process would take time—perhaps a long time—and that a long transitional period would therefore be required.

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): Perhaps amendments might be tabled in another place to allow the change to take place in the more moderate way that the hon. Gentleman is talking about, but would not passing this new clause be the best way to concentrate minds in this House? Is not the problem that the minds of those on the Labour and Conservative Front Benches do not wish to be concentrated?

Mr. Tyrie: I am happy to support motions to concentrate minds, but I get wary about supporting fundamental new clauses when they are intended to act as itching powder. However, I understand the sentiment behind the hon. Gentleman's intervention, and I hope that we will make some progress on this issue before long.

For the avoidance of doubt, let me conclude my point about Labour and affiliation fees. It should not be in anyone's interests—indeed, it would not be in the Conservative party's interests—to bankrupt the Labour party, and I am sure that that is not what the hon. Member for Cambridge would want to achieve. In the long run, however, cash raised locally from local party activism must be allowed to influence outcomes. The idea that there should always be a level playing field with the same amount spent in every area must be wrong. If we are to encourage and revive genuine local party grass-roots activism in British politics, it must be right that different parts of the country, and different constituencies, should have widely different levels of spending. That is why, quite apart from the administrative impossibility, local caps on spending are a non-starter. A global cap of some sort is the way forward. I might initially have been prepared to recommend something that would be unfair on Labour if I thought that Labour Members were going to start responding in a positive way, but I see absolutely no sign of that.

We have to be cautious, but in doing so we must keep thinking about what measures are required that will command public confidence. Most of us agree—I sometimes wondered during the Lord Chancellor's speech, however—that we do not have that confidence now. The Conservatives set out three principles that should govern how to establish such confidence—*[Interruption.]* I will not go through them in detail, in response to the comment by my hon. Friend the Member for Aldridge-Brownhills (Mr. Shepherd), but if he reads page 3 of the proposals, he will see that a cap is an essential element.

When the Conservatives get back into office, we will do absolutely everything to seek consensus on this issue, with the objective of restoring trust. Equally, however, we cannot leave this matter at the mercy of an indefinite veto on any meaningful change by any one party. That is why, while not supporting new clause 1, I am confident that my party in government will look to a donations cap as the way forward. As this debate progresses in the country, and as the degeneration of respect for parties proceeds—as I predict that it will unless we take action—the pressure will reach a point whereby even the Labour party will be prepared to come seriously to the negotiating table to discuss a change in the relationship between it and the trade unions with regard to affiliation fees.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): I am only surprised that the proposed cap in the new clause is so large. If I look back over what has happened to politics in my time in this House, certainly over the past 15 years, I see, election by election, a decline in voters' attention to a fundamental necessity in their lives—the political process. If donations can be allowed to be so large, that makes things unequal because, naturally and understandably, it is an obvious observation that political parties become very interested in the large donor and let go of the little donor. As a consequence of that detachment from political processes over the years, revenues at local level have fallen and political parties are contracting. In many constituencies, parties are shadow organisations with very few members exercising, for instance, choice over who should be the candidate. Big donations have enabled the centralisation of political choices through party headquarters. The parties in London seek to garner all this money, so they run campaigns aggrandising the centre, but the vitality of the political history of this country comes from the grass-roots. All the great movements that have swept this country, including the extension of suffrage, were intensely public, popular movements supported by the many, not the few.

6.45 pm

If I have a criticism of the proposal, it is not of the intent behind it, but let us stand back from Hayden Phillips, and the new spokesman for the Conservative party—I thought that they normally sat on the Front

Bench—who expressed views to which I could not sign up. We used to have an expression in this country: "You cut your coat according to your cloth." Political parties are bypassing that by seeking very large donations that will determine the future of our political processes from the centre, whereas I profoundly believe that constituency parties from each part of this kingdom are the dynamic that should determine what it is we are about.

I support the new clause, although the cap is set much too high. I also dislike the idea of state funding beyond what we have now, which is far too gross. To think that we can only fight an election with £15 million or £20 million, which requires large donations or, as a substitute, the poor, oppressed taxpayer having to reach into their pockets. The process by which we are trying to determine an ideal or a principle has not been gone about in the right way. Parties should run on the small donations that they can raise. Someone mentioned what Barack Obama had succeeded in achieving through new communications—although those communications are well beyond my pay grade. If one has a cause and stands for something, one can reach the people in this country. I want local constituency parties, and therefore constituencies, to have the opportunity to choose and determine for themselves who their candidate should be, rather than for that person to be selected from the centre, because of money.

For all the havering that I have heard, I shall support the Liberal amendment as a matter of principle: we need any measure that can reduce the interest shown in the multi-millionaire, the billionaire or the individual who can contribute £50,000. That is not representative of the nation as a whole.

David Howarth: I am grateful for the support of the hon. Member for Aldridge-Brownhills (Mr. Shepherd). The sentiment behind his speech is precisely that behind the new clause, which is that we have to do something to reduce the gap between us as representatives and the people whom we represent. At the moment, one of the things coming between us and those people is big money. The process that the hon. Gentleman described, where parties turn their attention to those who give big donations, and therefore away from the ordinary people of the electorate, is profoundly important and profoundly dangerous.

I am also grateful for the rather more qualified support of the hon. Member for Chichester (Mr. Tyrie), but one of the things that he said about the new clause is vital—it would, at a stroke as he put it, get rid of the big donor culture. That is precisely its intention. Conservative Members argued against the new clause on the ground that the amount of £50,000 is too large, and I agree. It is too large, and I would like to see the amount reduced, but we have to start somewhere and so we have started with a proposal to which the Conservatives, as a party, agreed in principle, as part of the Hayden Phillips proce . I urge Conservative Back Benchers to think about what they will be doing if they fail to support the new clause.

It was profoundly disappointing to hear the Conservative Front-Bench spokesmen simply say that the time is not ripe—according to them, the time never seems to be ripe. This Bill is about political parties and the funding of those parties, and if now—before the next general election—is not the right time to discuss the issue, and to pass such safeguards, when is?

As for the Government, I was even more disappointed with what the Secretary of State had to say. The position that he took rows back immensely from where we all imagined the Labour party to be. The idea that transparency is all that we need in the regulation of donations is extraordinary, and it does not meet the obvious objection that if we know the system is corrupt, it is still corrupt. If people can see that the system is corrupt, that makes it worse. We cannot move on from where we are simply through measures of transparency; we must set a cap on the influence that individuals have on politics through money.

The final thing I say to the Government is simply this: if they refuse to move on the issue of donation caps now, and if they ignore the view in society at large and in other parts of the political system that this is something that must be done, they will put their own party at risk because when reform does come—as it must—it will come at a time far less favourable to it. The relationship between the Labour party and the trade unions, which we discussed, it is at the heart of that very point. I and my party have offered a very moderate solution to that problem—one with which the Labour party could easily live, and one which the public would recognise as fair. But if the Labour party will not move on the principle, it might find itself, after the next election, in political circumstances where this House's solution is profoundly less favourable to it—a solution that will, in the end, put the very existence of the Labour party on the line.

I warn the leaders of the Labour party to bear in mind the consequences of how they are telling their Members to vote tonight. With that, I intend to press the motion to a Division.

Question put, That the clause be read a Second time.

The House divided: Ayes 70, Noes 299.

Division No. 43] **[6.54 pm**

AYES

Alexander, Danny
Baker, Norman
Barrell, John
Beith, rh Sir Alan
Brake, Tom
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Davey, Mr. Edward
Davies, Mr. Dai
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
George, Andrew
Gidley, Sandra
Goldsworthy, Julia
Hancock, Mr. Mike
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Hemming, John
Hogg, rh Mr. Douglas
Holmes, Paul
Horwood, Martin
Hosie, Stewart
Howarth, David
Hughes, Simon
Huhne, Chris
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Kramer, Susan
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Mason, John
Moore, Mr. Michael
Mulholland, Greg
Oaten, Mr. Mark
Öpik, Lembit
Price, Adam
Pugh, Dr. John
Reid, Mr. Alan
Rennie, Willie
Robertson, Angus
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Shepherd, Mr. Richard
Spink, Bob
Stunell, Andrew

Swinson, Jo
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Webb, Steve
Weir, Mr. Mike
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wishart, Pete

Tellers for the Ayes:
Sir Robert Smith and
Dan Rogerson

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davidson, Mr. Ian
Davies, Philip
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dimmore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oliver, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Pickthall, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Reynolds, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela

Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Watho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. Bob Blizzard and
Steve McCabe

Question accordingly negatived.

7.10 pm

Proceedings interrupted (Programme Order, 9 February).

The Deputy Speaker put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83E).

Clause 8

DECLARATION AS TO SOURCE OF DONATION

Amendments made: 94, page 6, line 2, leave out '£5,000' and insert '£7,500'.

Amendment 95, page 6, line3, leave out '£1,000' and insert '£1,500'.

Amendment 96, page 6, line 7, leave out '£5,000' and insert '£7,500'.

Amendment 97, page 6, line 18, leave out '£5,000' and insert '£7,500'.

Amendment 98, page 6, line 35, leave out '£1,000' and insert '£1,500'.

Amendment 99, page 6, line 35, leave out '£5,000' and insert '£7,500'.—*(Mark Tami.)*

Amendment proposed: 121, page 6, line 38, at end insert—

'(6A) A person does not commit an offence if, in the reasonable opinion of the Commission, the person had no intention of making, or by innocent mistake made, a false declaration under this section'.—*(Mr. Djanogly.)*

Question put, That the amendment be made.

The House divided: Ayes 165, Noes 358.

Division No. 44] **[7.12 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Fabricant, Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Stephen
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Horam, Mr. John
Hosie, Stewart
Howarth, Mr. Gerald
Howell, John
Hunt, Mr. Nick
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mason, John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McLoughlin, rh Mr. Patrick
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Mr. Ian
Taylor, Dr. Richard
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann

Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. Philip Dunne and
Mr. John Baron

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Sir Alan
Bell, Sir Stuart
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Bradshaw, Mr. Ben
Brake, Tom
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davey, Mr. Edward
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Farron, Tim
Featherstone, Lynne
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gidley, Sandra
Godsiff, Mr. Roger
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Healey, rh John
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoey, Kate
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kemp, Mr. Fraser
Kennedy, rh Mr. Charles
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, rh Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oaten, Mr. Mark
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John

Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Tami, Mark
Taylor, Ms Dari
Taylor, David
Taylor, Matthew
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. Bob Blizzard and Steve McCabe

Question accordingly negatived.

Schedule 3

DECLARATION AS TO SOURCE OF DONATION

Amendments made: 100, page 38, line 24, leave out '£5,000' and insert '£7,500'.

Amendment 101, page 38, line 26, leave out '£1,000' and insert '£1,500'.

Amendment 102, page 38, line 30, leave out '£5,000' and insert '£7,500'.

Amendment 103, page 38, line 32, leave out '£1,000' and insert '£1,500'.

Amendment 104, page 39, line 3, leave out '£5,000' and insert '£7,500'.

Amendment 105, page 39, line 5, leave out '£1,000' and insert '£1,500'.

Amendment 106, page 40, line 18, leave out '£5,000' and insert '£7,500'.

Amendment 107, page 40, line 23, leave out '£5,000' and insert '£7,500'.

Amendment 108, page 40, line 39, leave out '£5,000' and insert '£7,500'.

Amendment 109, page 42, line 2, leave out '£5,000' and insert '£7,500'.

Amendment 110, page 42, line 7, leave out '£5,000' and insert '£7,500'.

Amendment 111, page 42, line 20, leave out '£5,000' and insert '£7,500'.—*(Mark Tami.)*

New Clause 20

REPORTS OF GIFTS RECEIVED BY UNINCORPORATED ASSOCIATIONS MAKING DONATIONS

'(1) After section 140 of the 2000 Act there is inserted—

"Reports to Commission by unincorporated associations making political donations

"140A Reports of gifts received by unincorporated associations

Schedule 19ZA, which requires unincorporated associations making political donations to report gifts received by them to the Commission, has effect."

(2) Before Schedule 19A to the 2000 Act (inserted by section 2 above) there is inserted, as Schedule 19ZA, the Schedule set out in Schedule [Reports of gifts received by unincorporated associations making donations: Schedule to be inserted into the 2000 Act] to this Act.

(3) In Schedule 20 to the 2000 Act the following entries are inserted at the appropriate place—

"Paragraph 6(1) of Schedule 19ZA (failure to give notification or report within specified period)	On summary conviction: Level 5.
Paragraph 6(2) of Schedule 19ZA (giving notification or report that fails to comply with requirements of that Schedule)	On summary conviction in England and Wales or Scotland: statutory maximum or 12 months. On summary conviction in Northern Ireland: statutory maximum or 6 months. On indictment: fine or 1 year.
Paragraph 6(3) of Schedule 19ZA (making false declaration in notification or report)	On summary conviction in England and Wales or Scotland: statutory maximum or 12 months. On summary conviction in Northern Ireland: statutory maximum or 6 months. On indictment: fine or 1 year."

(4) The Secretary of State, after consulting the Electoral Commission, may make an order that—

(a) amends or modifies the Schedule inserted into the 2000 Act by Schedule [Reports of gifts received by unincorporated associations making donations: Schedule to be inserted into the 2000 Act] so far as it applies in relation to Northern Ireland;

(b) makes provision that is consequential on or supplemental to that made by virtue of paragraph (a) (including provision amending or modifying any provision of the 2000 Act).

(5) The power to make an order under subsection (4) is exercisable by statutory instrument.

(6) No order may be made under subsection (4) unless a draft of the instrument containing the order has been laid before and approved by a resolution of each House of Parliament.

(7) In the Schedule inserted into the 2000 Act by Schedule [Reports of gifts received by unincorporated associations making donations: Schedule to be inserted into the 2000 Act] to this Act—

(a) the reference in paragraph 1(1) to a calendar year does not include any year before 2010;

(b) a reference in paragraph 2 to a gift does not include any gift received before the day on which this Act is passed.'.—*(Mark Tami.)*

Brought up, and added to the Bill.

Clause 23

COMMENCEMENT

Amendment made: 112, page 14, line 38, at end insert—

'( ) section [Reports of gifts received by unincorporated associations making donations] and Schedule [Reports of gifts received by unincorporated associations making donations: Schedule to be inserted into the 2000 Act],'.—*(Mark Tami.)*

Schedule 4

MINOR AND CONSEQUENTIAL AMENDMENTS

Amendments made: 113, in page 45, line 30, at end insert

' In the heading to Part 9, after "COMPANIES" there is inserted "AND UNINCOPORATED ASSOCIATIONS".'.

Amendment 114, page 45, line 39, at end insert—

In section 149 (inspection of Commission's registers etc), in subsection (1), at the end there is inserted—

"(f) paragraph 7 of Schedule 19ZA".'.—*(Mark Tami.)*

New Schedule 1

'REPORTS OF GIFTS RECEIVED BY UNINCORPORATED ASSOCIATIONS MAKING DONATIONS: SCHEDULE TO BE INSERTED INTO THE 2000 ACT

"SCHEDULE 19ZA SECTION 140A

REPORTS OF GIFTS RECEIVED BY UNINCORPORATED ASSOCIATIONS MAKING DONATIONS

Requirement to notify Commission of donations over £25,000

1 (1) Where in any calendar year an unincorporated association falling within section 54(2)(h)—

(a) makes a political donation of more than £25,000, not having previously made any political donations in that year, or

(b) makes a political donation which takes the total amount of such donations made by it in that year above £25,000,

the association must notify the Commission accordingly within the period of 30 days beginning with the date on which the donation was made.

(2) A "political donation" is a donation to any of the following—

(a) a registered party;

(b) a regulated donee;

(c) a recognised third party;

(d) a permitted participant.

(3) For the purposes of sub-paragraph (1)(b) a donation is not counted towards the total unless it is a donation of more than £500.

(4) In this paragraph—

"donation"—

(a) in relation to a registered party, has the meaning given in Chapter 1 of Part 4;

(b) in relation to a regulated donee, has the meaning given in Part 1 of Schedule 7;

(c) in relation to a recognised third party, has the meaning given in Part 1 of Schedule 11;

(d) in relation to a permitted participant, has the meaning given to "relevant donation" in Part 1 of Schedule 15;

"permitted participant" has the meaning given in section 105 except that it does not include a registered party other than a minor party;

"recognised third party" has the meaning given in section 85;

"regulated donee" has the meaning given in Part 1 of Schedule 7.

(5) For the purposes of this paragraph—

(a) the value of a donation to a registered party shall be determined in accordance with section 53;

(b) the value of a donation to a regulated donee shall be determined in accordance with paragraph 5 of Schedule 7;

(c) the value of a donation to a recognised third party shall be determined in accordance with paragraph 5 of Schedule 11;

(d) the value of a donation to a permitted participant shall be determined in accordance with paragraph 5 of Schedule 15.

(6) Where a donation is sent on one day and received on another, it is treated for the purposes of this paragraph as made on the earlier of those days.

Requirement to report gifts received to Commission

2 (1) This paragraph applies where the making of a donation by an unincorporated association causes the association to be subject to the notification requirement in paragraph 1; and in this paragraph—

"the donation date" means the date on which that donation was made;

"quarter" means a period of three months ending on 31st March, 30th June, 30th September or 31st December.

(2) Within the period of 60 days beginning with the donation date, the unincorporated association must make a report to the Commission—

(a) specifying every gift of more than £7,500 received by the association in the period—

(i) beginning at the start of the calendar year preceding the year in which the donation date falls, and

(ii) ending with the donation date,

or

(b) (if it is the case) stating that the association received no such gifts in the period mentioned in paragraph (a).

(3) Within the period of 30 days following the end of the first quarter to begin after the donation date, the unincorporated association must make a report to the Commission—

(a) specifying every gift of more than £7,500 received by the association in the period—

(i) beginning with the day after the donation date, and

(ii) ending with the end of the quarter,

or

(b) (if it is the case) stating that the association received no such gifts in the period mentioned in paragraph (a).

(4) In relation to each subsequent quarter ending in the calendar year in which the donation date falls or in the following calendar year, the unincorporated association must within the period of 30 days following the end of the quarter make a report to the Commission—

(a) specifying every gift of more than £7,500 received by the association in the quarter, or

(b) (if it is the case) stating that the association received no such gifts in the quarter.

(5) Where—

(a) an unincorporated association receives two or more gifts of more than £500 from the same person in the same calendar year, and

(b) those gifts amount to more than £7,500 in total,

the association is treated for the purposes of this paragraph as receiving a gift of more than £7,500 on the day on which it receives the gift that takes the total amount of gifts from that person in that year above £7,500.

(6) Where—

(a) an unincorporated association receives (or is treated by sub-paragraph (5) as receiving) a gift of more than £7,500 from a particular person, and

(b) later in the same calendar year the association receives a gift of more than £1,500 from the same person,

that subsequent gift is treated for the purposes of this paragraph in the same way as a gift of more than £7,500.

(7) A reference in this paragraph to a gift of more than a certain amount is to be read, in the case of a gift in a form other than money, as a reference to a gift with a value of more than that amount.

(8) Nothing in this paragraph requires an unincorporated association to report to the Commission—

(a) any gift that it has already reported to them under this paragraph, or

(b) in the case of an association that at the relevant time was a members association within the meaning of Schedule 7, any gift that it is required to report to them under Part 3 of that Schedule.

Information to be included in reports under paragraph 2

3 (1) A report under paragraph 2 must give the following information in relation to each gift that is required to be specified—

(a) the date on which it was received;

(b) the form that it took;

(c) the amount or value of it;

(d) whatever details the unincorporated association knows of the name and address of the person by whom the gift was made.

(2) Where paragraph 2(5) applies, each of the gifts of more than £500 mentioned in that provision is required to be specified separately for the purposes of sub-paragraph (1).

(3) Where a person ("P") makes a gift indirectly through one or more intermediaries, the reference in sub-paragraph (1)(d) to the person by whom the gift was made is to be read as a reference to P and each of the intermediaries.

Declaration by authorised individual

4 A notification under paragraph 1 or a report under paragraph 2 must contain a declaration, made by an individual authorised to do so by the unincorporated association concerned, that to the best of the individual's knowledge and belief—

(a) everything stated in the notification or report is accurate, and

(b) the notification or report contains everything that it is required to contain by this Schedule.

Additional matters to be included in notifications and reports

5 A notification under paragraph 1 or a report under paragraph 2 must (as well as containing the things that paragraphs 1 and 4 or paragraphs 3 and 4 require it to contain)—

(a) state the name of the unincorporated association by which it is given;

(b) state the address of the association's main office in the United Kingdom;

(c) state the full name and address of the individual making the declaration under paragraph 4;

(d) state that the individual is authorised by the unincorporated association to make the declaration;

(e) describe the individual's role or position in relation to the association.

Offences

6 (1) An unincorporated association commits an offence if it—

(a) is required by paragraph 1 to give a notification to the Commission, or

(b) is required by paragraph 2 to make a report to the Commission,

and fails without reasonable excuse to do so within the permitted period.

(2) An unincorporated association commits an offence if, without reasonable excuse, it—

(a) gives a notification to the Commission under paragraph 1, or

(b) makes a report to the Commission under paragraph 2,

which fails to comply with any requirement of this Schedule applying to the notification or report.

(3) An individual who knowingly or recklessly makes a false declaration under paragraph 4 commits an offence.

(4) For the purposes of sub-paragraph (1) the "permitted period" is—

(a) in relation to a notification under paragraph 1, the period of 30 days mentioned in paragraph 1(1);

(b) in relation to a notice under sub-paragraph (2) of paragraph 2, the period of 60 days mentioned in that sub-paragraph;

(c) in relation to a notice under sub-paragraph (3) of paragraph 2, the period of 30 days mentioned in that sub-paragraph;

(d) in relation to a notice under sub-paragraph (4) of paragraph 2, the period of 30 days mentioned in that sub-paragraph.

Register of recordable gifts to unincorporated associations

7 (1) The Commission shall maintain a register of all notifications made to them under paragraph 1 and all gifts reported to them under paragraph 2.

(2) The register shall be maintained by the Commission in such form as they may determine and shall contain the following details—

(a) in the case of each notification under paragraph 1—

(i) the name of the unincorporated association by which the notification was given;

(ii) the address of the association's main office in the United Kingdom;

(iii) the date on which the notification was given;

(b) in the case of each gift reported under paragraph 2—

(i) the name of the unincorporated association by which the report was given;

(ii) the address of the association's main office in the United Kingdom;

(iii) (subject to sub-paragraph (4) and paragraph 8) the information provided under paragraph 3.

(3) Where the Commission are given any notification under paragraph 1 or any report under paragraph 2, they shall cause the details mentioned in sub-paragraph (2)(a) (in respect of a notification) or sub-paragraph (2)(b) (in respect of a report) to be entered in the register as soon as is reasonably practicable.

(4) The information to be entered in the register in respect of any individual shall not include the individual's home address.

8 (1) This paragraph applies where—

(a) an unincorporated association receives a gift in respect of which an entry falls to be made in the register under paragraph 7, and

(b) at the time when the gift is received there is no entry in the register in respect of that unincorporated association.

(2) The Commission shall not include in the register any information that would or might identify a person as someone by or through whom the gift was made unless—

(a) they have given to the person a notice stating that they propose to include such information, and inviting representations on the matter, and

(b) they decide, having considered any representations made by the person, that it is reasonable to include such information in the register.

(3) The Commission shall make reasonable efforts to give a notice under sub-paragraph (2)(a) in any case where, if a notice is not given, sub-paragraph (2) prevents information from being included in the register.

(4) The Commission shall not make a decision on the matter referred to in sub-paragraph (2)(b) until after the period of 45 days beginning with the date on which they gave the notice under sub-paragraph (2)(a), unless representations from the person concerned are received before the end of that period.

(5) Once they have made a decision on that matter the Commission shall give notification of it to the person concerned.

Meaning of "gift", etc

9 (1) In this Schedule "gift" includes bequest.

(2) Anything given or transferred to any officer, member, trustee or agent of an unincorporated association in that person's capacity as such (and not for the person's own use or benefit) is to be regarded for the purposes of this Schedule as given or transferred to the association (and references to gifts received by an unincorporated association are to be read accordingly).

(3) Regulations made by the Secretary of State may—

(a) make provision as to things that are, or are not, to be regarded as gifts to unincorporated associations for the purposes of this Schedule;

(b) make provision as to how the value of a gift to an unincorporated association is to be calculated for the purposes of this Schedule.

(4) Provision made under sub-paragraph (3)(a) may, in particular, provide for a person to be treated as making a gift where that person—

(a) pays expenses incurred by another;

(b) provides any property, services or facilities for the use or benefit of another otherwise than on commercial terms;

(c) transfers any money or other property for a consideration that is worth less than what is transferred (or for no consideration).'".—*(Mark Tami.)*

Brought up, and added to the Bill.

Clause 8

DECLARATION AS TO SOURCE OF DONATION

Amendment made: 115, page 7, line 18, leave out from 'must' to 'either' in line 20.—*(Mark Tami.)*

Schedule 3

DECLARATION AS TO SOURCE OF DONATION

Amendments made: 116, page 39, line 44, leave out 'and subsection (6) of that section'.

Amendment 117, page 39, line 46, leave out 'and sub-paragraph (6) of that paragraph respectively'.

Amendment 118, page 41, line 21, leave out from 'must' to 'either' in line 23.

Amendment 119, page 43, line 5, leave out from 'must' to 'either' in line 7.—*(Mark Tami.)*

New Clause 21

SCHEMES FOR PROVISION OF DATA TO REGISTRATION OFFICERS

'(1) The Secretary of State may by order made by statutory instrument make provision (referred to below as a "scheme") authorising or requiring specified persons to provide to a specified registration officer, for the purpose mentioned in subsection (2), information contained in records kept by those persons.

(2) The purpose is assisting the registration officer to secure, so far as reasonably practicable—

(a) that persons who are entitled to be registered in a register are registered in it,

(b) that persons who are not entitled to be registered in a register are not registered in it, and

(c) that none of the information relating to a registered person that appears in a register or other record kept by the officer is false,

and, in particular, assisting the officer to ascertain to what extent the objectives referred to in paragraphs (a) to (c) are being met and to determine what steps should be taken for meeting them.

(3) A scheme may authorise or require information to be provided at specified times or in specified circumstances.

(4) A scheme may not authorise or require information to be provided by a person other than—

(a) a local or public authority, or

(b) a person providing services to, or authorised to exercise any function of, a local or public authority.

(5) An order under this section may include more than one scheme.

(6) An order under this section has effect despite any statutory or other restriction on the disclosure of information (but may not permit disclosure in breach of subsection (7)).

(7) Information provided to a registration officer under an order under this section may not be disclosed to a person other than one to whom the officer may delegate his or her functions, except—

(a) for the purpose mentioned in subsection (2), or

(b) for the purposes of any criminal or civil proceedings.

A person who discloses information in breach of this subsection is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.

(8) An order under this section may contain incidental, supplemental, transitional or saving provision.

(9) An order under this section must not be made unless a draft of the statutory instrument containing it has been laid before, and approved by a resolution of, each House of Parliament.

(10) In this section—

"false", in relation to a signature, means that the signature is not the usual signature of, or was written by a person other than, the person whose signature it purports to be;

"specified" means specified in an order under this section;

"register", in relation to a registration officer, means a register maintained by that officer under section 9 of the 1983 Act;

"registered person" means a person registered in such a register;

"registration officer" has the same meaning as in the 1983 Act (see section 8 of that Act) except that it does not include the Chief Electoral Officer for Northern Ireland.'.—*(Mr. Wills.)*

Brought up, and read the First time.

Mr. Wills: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to discuss Government new clause 22—*Schemes under section [Schemes for provision of data to registration officers]: proposals, consultation and evaluation.*

Mr. Wills: These new clauses form an important part of our plans to transform electoral administration. It is significant and complex, so I hope the House will bear with me as I set out first the context of the new clauses, which I hope will assist the House in forming a judgment, before turning to deal with the details. In Committee, we discussed—and, it is fair to say, we all agreed—that democracy is undermined when significant numbers of people are not able to participate in elections because they are not registered to do so. Registration is the source from which democratic participation flows. Those who are not registered are denied that participation, so we must all be concerned that it has been estimated that more than 3 million eligible people are not able to vote in this country because they are not registered.

That is not acceptable—I hope we can all agree on that—and I hope we can agree that particular effort needs to be directed at registering voters in those groups who appear to be most at risk of not being registered. I hope that we can also all agree that the steps taken to tackle that problem must be on the basis of a level playing field for all democratic political parties. Anything that undermines that principle is partisan and risks illegitimacy. We must constantly strive to ensure that the register is as comprehensive as is reasonably possible, on the basis of a level playing field. That is one fundamental principle of electoral registration. The other such fundamental principle is that the register must be as accurate as possible.

I am going to assume that if I say anything about these fundamental principles with which Opposition Members disagree, they will intervene to tell me. Otherwise, I shall assume that they agree with the fundamental principles that I am setting out. Indeed, I would be surprised if they did not.

7.30 pm

David Howarth: The only fundamental principles that I would raise at this point are those of data protection. Will the Minister explain why new clause 21 seems to allow an order to be made that completely ignores those principles?

Mr. Wills: Of course data protection is a fundamental principle as well. It does not apply specifically to electoral registration in general in the terms that I am discussing right now, but I have registered the hon. Gentleman's concerns and I will come to them in due course, when I deal with the detail of the new clauses. They are important concerns—I understand that—and I am happy to address them.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Does the Minister agree that another fundamental principle is that the registration should be accurate, bearing it in mind that this is a gateway to, for example, absent voting? These things must be done in such a way as to provide good identifiers that stand in the way of fraud.

Mr. Wills: I absolutely agree with the right hon. and learned Gentleman, and that is precisely what I said. It is one of the two fundamental principles of electoral registration that the register should be as accurate as is reasonably possible. Electoral registration should be comprehensive and accurate—those are the principles.

On that basis, therefore, the Government are introducing measures that will transform the system of electoral registration. We agree with those who have argued that a system of individual registration in Great Britain would represent a significant step forward in improving the integrity of the electoral register. We also believe that there are other principled, important arguments in favour of individual registration, but our concern has been that, in pursuing the realisation of one fundamental principle of electoral registration, we should not jeopardise the achievement of the other. The simple fact that many individuals, currently registered under the system of household registration, would under a system of individual registration be required to provide personal information for the first time in order to register is very likely to deter some—perhaps many—from registering unless we take important remedial action.

The Northern Ireland experience is often cited in debates of this nature, and it is right that we should learn the lessons, both positive and negative, from that experience. At least some of the drop in the numbers registered in Northern Ireland in 2002 was due to the removal of the so-called carry forward, but as the Electoral Commission noted in its report on the implementation of individual registration in Northern Ireland:

> "Individual Registration tended to have an adverse impact on disadvantaged, marginalised and hard to reach groups. Young people and students, people with learning difficulties and other forms of disability and those living in areas of high social deprivation were less likely to be registered and encountered specific problems with the new registration process."

Chris Ruane: Does the report that my right hon. Friend is quoting from make any reference to illiteracy? What is the effect of low functional literacy on registration rates?

Mr. Wills: I am grateful to my hon. Friend for making that point. The passage from which I am quoting does not make any specific reference to illiteracy, but it is another problem, a barrier and something that we must address if we are to fulfil and deliver on both the fundamental principles that I have suggested.

The Electoral Commission report continues:

> "While these findings relate directly to Northern Ireland, they are not unique and reflect the wider picture across the UK. They present a major challenge to all those concerned with widening participation in electoral and democratic processes."

We believe that the way forward is to combine the implementation of individual registration—on a careful but fixed timetable—with significant new measures to increase registration, so that we do not jeopardise the reach of the register in seeking properly to improve its integrity.

Today, I am announcing the historic steps that we are taking to entrench those two fundamental principles of electoral registration, which underpin our democracy. The Government have already been taking significant steps to increase registration. The Electoral Administration

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Act 2006 placed a statutory duty on electoral registration officers to take all necessary steps to maintain the electoral register, including sending the annual canvass form more than once, making house-to-house visits and inspecting records that electoral registration officers are permitted to inspect. Much of that is common sense, and many electoral registration officers are doing excellent work in maintaining and expanding their registers.

Mr. Andrew Love (Edmonton) (Lab/Co-op): I echo my right hon. Friend's comment that many electoral registration officers are doing an excellent job, but the reality nationwide is that only 91 per cent. of those eligible to be registered are registered. Must not we prioritise getting a comprehensive register before we do anything else?

Mr. Wills: My hon. Friend is quite right. Those two things have to go in lockstep together, but 91 per cent. is not acceptable. As I will point out in a few moments, any of us can be satisfied only when we can be absolutely confident that the register is at 100 per cent. of those who are eligible to vote.

As I say, many electoral registration officers are doing an excellent job. Some, however, need to raise their game. The new duty has required them all to raise their game. Since its introduction for the 2006 annual canvass, registration rates have increased year on year. In the past three years, the registration figures for parliamentary elections have increased by 371,000 in 2006; 307,669 in 2007; and 111,595 in 2008. There are now 45,194,449 parliamentary electors registered in the UK.

Similarly, the registration figures for local government elections also increased by 513,054 in 2006; 463,000 in 2007; and 227,374 in 2008. There are now 46,147,877 local government electors registered in the UK. Those increases are a great achievement and they show what can be done, but that is a beginning, not the end. That end will come only when 100 per cent. of those eligible to vote are so registered to vote.

Estimates from 2005 suggest, as my hon. Friend the Member for Edmonton (Mr. Love) has just said, that only about 91 per cent. are so registered, so we have a considerable way to go.

I am sure that the House will have registered the fact that the figures that I have been referring to are national figures, and there are significant differences in different parts of the country—again, as my hon. Friend has just said. Some parts of the country having fewer of their eligible voters registered to vote than others corrodes democracy in this country. We must do everything possible to tackle that problem.

Going forward, section 67 of the 2006 Act also empowered the Electoral Commission to set and monitor performance standards for electoral services. Electoral registration officers in Great Britain have recently self-assessed their performance against 12 individual performance standards, and the Electoral Commission will publish the results of that this month. After that, local authorities will be required to report annually on their performance. The commission will also shortly publish data on the financial resources devoted to registration by local authorities.

The performance standards framework will be vital in driving up the numbers registered to vote. The standards will give the public much greater understanding of the effort being put into registering voters—good and bad, excellent and indifferent. Practice in individual areas throughout the country will quickly become apparent.

Mr. Love: Does my right hon. Friend accept that a great difficulty here is whether the council giving the funds for electoral registration prioritises that as an activity? In such circumstances, would it not be better for us to ring-fence funding for electoral registration to ensure that it is done properly?

Mr. Wills: I am grateful to my hon. Friend for that intervention and I am aware of that strongly held point of view. There are measures that I want to announce today; there are further measures that I will announce shortly, just before the summer recess. I can absolutely assure him that everything possible that we can do, we will do in this respect.

Chris Ruane: When I have tabled parliamentary questions asking about the amount per elector in each local authority area, I have been told that the information is not collated in England, but it has been collated in Wales. The point made earlier by my hon. Friend the Member for Edmonton (Mr. Love) about the importance of ring-fenced funding is crucial. In Wales it was found—lo and behold—that the authorities that spent more money on electoral registration had bigger, better registers, while those that spent less had worse registers. Funding is key. If the Ministry of Justice sends the money to local authorities for that purpose, it must be spent for that purpose.

Mr. Wills: As I have said, what I am announcing today is only the start of a process to increase the numbers on the register. As always, we will be driven by evidence, and I assure my hon. Friend that we will take every bit of it into account.

We believe that the performance standards will help to increase registration and participation rates across the country. It is important for that to happen, because it is crucial for every part of the country to be able to expect the highest possible levels of performance from the electoral registration officers. Disadvantage should not exist in electoral registration any more than it should in any other area of public life.

David Howarth: I fully support the sentiments that the Minister is expressing, but there is a problem with uniform national standards in the context of electoral registration. It has nothing to do with deprivation; it simply has to do with the demographic circumstances of different authorities. Cambridge has a massive turnover of population—not just the student population—and to hold such areas to the same standards as even neighbouring authorities such as South Cambridgeshire, which has a very stable population, would not be fair on the authorities in the city of Cambridge.

Mr. Wills: That is an important point. There are significant variations throughout the country, and some areas find it much more difficult than others to achieve satisfactory levels of registration. Places such as Cambridge may be relatively advantaged socially and economically,

but may have other problems because of the massive churn of the population. Other areas may have difficulties caused by large numbers of people living in houses of multiple occupation. Every area has specific problems. What we cannot accept is that any of those problems constitute excuses for anything other than the utmost effort to ensure that the register is as full as possible.

We have taken important steps and they are beginning to pay dividends, but we can do more. We propose to take three further steps. Electoral registration officers in areas where there is one tier of local government can already gain access to data held by education departments and social services which help them to maintain and enhance their registers, but that is not the case in two-tier areas. We therefore intend to introduce secondary legislation under powers in the 2006 Act to enable EROs in areas with two tiers of local government to access data held by the higher tier, to help them to target individuals who are not registered and check the accuracy of their registers. That will help them to identify, for example, young people attaining the age at which they can vote and persons in care homes, all of whom have a right to vote but many of whom may not be registered.

We also want to ensure that electoral registration officers are fully aware of all the steps that they can take to improve the register. We intend to make clear in legislation that the section 9 duty imposed by the 2006 Act applies throughout the year, not just during the annual canvass period. We know that some officers conduct mini-canvasses outside the main annual canvass period to increase registration rates in areas where they are low. We want all EROs to undertake similar activities where necessary, and to do so throughout the year. That will challenge them, but it will assist them as well. It will challenge them to do more, but we believe that it will also assist them by clarifying what is expected of them.

Chris Ruane: As my right hon. Friend says, EROs currently have permission to consult databases in different local authority departments. That entitlement is taken up with gusto by some, and is not taken up at all by others. Given that any new powers that my right hon. Friend gives may not be taken up, what measures can he and his Department take to ensure that what powers are given are used?

7.45 pm

Mr. Wills: When we give powers we naturally expect them to be used, and we will monitor the position. That is the point of the performance standards. All of us—not just Government—will be able to see which EROs are doing well and which are not, in proportion to the funding that they receive. We will expect all of them to measure up to the standards of the best, and to strive to meet the 100 per cent. target. We may not achieve that, but it must always be a pressing obligation for us all. I shall say more about that in a moment. If my hon. Friend will bear with me, he will hear something that I hope will afford him some comfort.

We need to do more, which is why we tabled the data-matching clauses. In some areas, particularly those where the population is stable—not areas such as Cambridge—registration rates may have hit their peak, but in many other areas ensuring that people registered has always been, and is still proving to be, a significant challenge for electoral registration officers. We want to do more to assist officers in such circumstances, while not necessarily forcing them to act. The piloting of data-matching schemes that will allow them to receive relevant and restricted data from public authorities will allow us to test, in a controlled way, new tools to help them to maintain their registers.

The provision will allow the Secretary of State to make an order allowing a public authority, or a person appointed to discharge its functions, to supply an ERO with specified data at specified times for the sole purpose of electoral registration. The officer would use the data for the purpose of identifying persons who were entitled to be on the electoral register but were not currently registered, or inaccuracies in the register meaning that the officer would need to conduct a review of a registration. We have already discussed our proposals in outline with a number of public authorities, such as Her Majesty's Revenue and Customs and the Department for Work and Pensions, and they are content in principle with the possibility of sharing data to assist improvement of the electoral register. We are discussing with them in greater detail the practicalities of any such schemes.

Martin Linton: Since 25 November, many people renewing visas have been given identity cards containing their names and addresses. Some of those people are eligible to vote in this country. May I take it that they will be automatically included in the relevant electoral register?

Mr. Wills: No, not at present. We are proceeding carefully, in ways that I shall continue to outline. The question of the identifier is interesting, however, and I shall touch on it briefly in a few moments.

Bob Spink: I support the aim of new clause 21. However, subsection (7) deals with the disclosure of information to third parties by a registration officer, who, according to paragraph (b), can pass on information "for the purposes of any criminal or civil proceedings". In what circumstances would the officer provide such information pursuant to civil proceedings, what civil proceedings has the Minister in mind, and what protections would be provided?

Mr. Wills: If the hon. Gentleman will forgive me, I will outline the scheme and then describe the protections involved. Obviously they are important.

David Howarth: The Minister referred to the public bodies, or Government Departments, that had been consulted, and the hon. Member for Castle Point (Bob Spink) asked about the specificity, or the particular consequence, of the order. Has the Minister consulted the Information Commissioner about the new clause, and if so, what did the commissioner say?

Mr. Wills: As I have just said, I will be dealing with the subject of the protections, but the direct answer to the hon. Gentleman's question is yes. Although I cannot speak for the Information Commissioner, he will forgive me for answering that question. His response was that he was content with the provisions, and I think that when I explain them, the hon. Gentleman will see why.

We have been very careful to hedge the provisions around with a lot of protections. As a lawyer, the hon. Gentleman will have noticed that I said specifically that

[Mr. Wills]

bodies will be able to supply an electoral registration officer with specified data at specified times for the sole purpose of electoral registration. He will thus immediately have realised that makes the provisions consistent with data protection principles. He is looking at the new clause, but I can assure him that it was drafted on that basis.

Martin Horwood (Cheltenham) (LD) *rose—*

Mr. Wills: If the intervention is about data protection principles, perhaps the hon. Gentleman will be a little patient as I shall come to those when I have finished outlining the scheme. Everyone will then be a little wiser—although perhaps only a little.

As I have said, the data-matching schemes will operate on a pilot basis. The local authorities participating will be selected through an open and transparent process involving the Electoral Commission as well as the Ministry of Justice, and there will be a set of criteria for the electoral registration officers who participate. We intend to publish details of the process before the summer recess. I am keen to ensure that Members on both sides of the House have the opportunity to contribute to the design of the process, and I will consult the parties before that point. In doing so, as I hope it is recognised we have tried to do throughout the passage of the Bill, we shall seek consensus.

The clauses require the Electoral Commission to conduct a review of each pilot and publish a report on its findings. We believe that the pilots will help us all to understand what information would be useful to electoral registration officers in maintaining the accuracy and comprehensiveness of their registers. They will also identify which data-matching schemes would help to secure registration rates when we move to a system of individual registration in Great Britain.

We are absolutely clear that any data matching must be carefully controlled and scrutinised. What we are proposing is not new. Both the overall approach and the provisions are closely modelled on provisions that Parliament approved in 2006 for application in Northern Ireland. I shall spell out the safeguards that will apply.

The clauses themselves set out explicitly the purposes for which the data supplied must be used by an electoral registration officer. Only data relevant to electoral registration may be provided by the public authority.

The public authority providing an electoral registration officer with data would be consulted on the release of information, and proper safeguards would be put in place in each order to ensure compliance with the Data Protection Act 1998. Each order putting in place a data-matching scheme would be subject to the affirmative resolution procedure, giving the House the opportunity to determine whether it was acceptable to proceed.

Martin Horwood: I understand what the Minister is saying, but it seems to me that the provisions breach one of the data protection principles. The principle of fair processing—as I understand it—is that data should be processed only for the purpose for which they were supplied to the data processor. In supplying data for voter registration, another public authority such as the NHS or the Department for Work and Pensions would actually be using that data for a purpose for which they were not supplied. That represents a breach of the original data protection principles.

Mr. Wills: With all respect to the hon. Gentleman, the House will have an opportunity to look at each scheme on its merits in each case—*[Interruption.]* The rights are not unfettered; how such things are treated will be a matter of judgment.

Martin Horwood *rose—*

Mr. Wills: If the hon. Gentleman would bear with me for just one more minute, I shall give him some extra reassurance. We are anxious that it should not be the Government who make those judgments, but the House, properly advised about the application of the principles of data protection by the person Parliament appoints for that job—the Information Commissioner. We are providing that the Information Commissioner will be able to issue their own assessment of each order, in each case, which will be published. It will be made available to the House before the House votes on the order.

Mr. Hogg: That is very helpful, but we have to remember that the affirmative resolution is not amendable. Given that fact, does the right hon. Gentleman agree that the House should have an opportunity to debate affirmative resolutions in draft so that we can make our comments and the Government can decide whether they want to amend the final draft to reflect what the Information Commissioner has said?

Mr. Wills: The right hon. and learned Gentleman makes a very helpful suggestion, and at the moment I think it is perfectly reasonable, although this is the first time I have heard it. If I may, I shall consider it further and if we need to make such an amendment we can do so in the other place. I cannot agree to it right now, but it is a helpful suggestion and unless I can find a good reason not to, I am perfectly disposed to do things in that way. However, the right hon. and learned Gentleman will be comforted by the fact that if the House is uncomfortable with an order it can reject it.

Martin Horwood: The Minister is being very patient with me. I can see provision under the new clauses for a report by the Electoral Commission, but I can see no specific provision for a report by the Information Commissioner. Can the Minister draw our attention to the exact clause or subsection where that provision is made?

Mr. Wills: I am giving the hon. Gentleman the assurance in the House that that is what will happen—*[Laughter.]* Members are perfectly able to vote against the proposals, but we are trying to give them assurances and I hope they will reflect on what I am saying and bear in mind the safeguards that are in place. It is up to them what they decide to do.

Martin Horwood *rose—*

Mr. Wills: I have a considerable amount still to go through and I do not want to try the patience of the House unduly. We have other points to make and I am sure that Members will want to have their say on those matters too.

We believe that the consultation will make sure that proper safeguards ensure that we do not act without taking into account privacy concerns or other concerns that might have an impact on the legitimacy of our electoral processes. These safeguards and protections go further than the Northern Ireland provisions we implemented, which I understand the House accepted. I am not sure what the position of the hon. Gentleman's party was on those provisions but I do not remember the Liberal Democrats making much noise at that point. I hope he agrees that what is appropriate for Northern Ireland should be appropriate for Great Britain.

We are determined to do everything possible to ensure that the electoral register is as comprehensive as reasonably possible. The measures I am announcing today are the start of a drive to achieve just that. We will announce further measures to improve the register when we set out our broader strategic vision for electoral administration towards the end of June.

In connection with the switch to individual registration, we are asking the Electoral Commission to judge whether and when the register is as comprehensive and accurate as possible. If at any time, the Electoral Commission judges that it or others need new powers to achieve those ends, the Government will start from the position that any such requests should be granted, assuming of course that the proposals are proportionate and necessary. I hope that Opposition parties will join the Government in responding similarly to such requests.

I turn to the historic shift to individual registration. The Government agree with the arguments for it: greater protection against electoral fraud, increased individual responsibility and enhanced legitimacy. The debate has not been about the ends, but about the means.

The shift to individual registration will be complex; it is a radical and unprecedented move in this country. It is a profound change—a recognition in the registration system of the shift that took place long ago from the household franchise to the individual. At every stage, we have to be sure that we are subjecting the reform to the proper degree of careful scrutiny. As the Electoral Commission said in its briefing paper for Report, individual registration, and I quote—

Mr. Heath: Will the Minister give way?

Mr. Wills: I shall be happy to give way when I have given the quote, but the hon. Gentleman should hear these words.

The Electoral Commission said that individual registration

"would be a major change to the electoral registration system in Great Britain. There will need to be detailed planning and identification of key milestones to provide the basis for moving towards implementation"—

David Howarth: On a point of order, Mr. Deputy Speaker. I am not sure that we have been given the right information on the grouping of the new clauses and amendments. The Minister seems to have moved on to new clauses 14 to 16 and 25, which, according to my piece of paper, are in a different group from new clauses 21 and 22.

Mr. Deputy Speaker: Order. I have every confidence in Mr. Speaker's selection, and I have not heard anything that causes me to worry about the Minister's interpretation of it, but I shall continue to listen to the Minister.

8 pm

Mr. Wills: Thank you, Mr. Deputy Speaker, and of course you are right, as always. *[Interruption.]* I know that the hon. Members for Cambridge (David Howarth) and for Cheltenham (Martin Horwood) are desperate to make the points that they want to make on what they choose to hear. However, if they had listened carefully when I introduced new clauses 21 and 22, they would know that I said that if the House is to make a proper assessment of the new clauses, it has to understand the context in which we are introducing them. I have, I hope, been setting out that context for quite a long time, and I have given way many times to the hon. Gentlemen. I have been trying to point out to them that if we are to move towards individual registration, which I think most people in the House agree is a most desirable objective, we must improve the electoral registration system. I am trying to explain that. That has nothing to do with the groupings, and when hon. Members see *Hansard*, they will see that I pointed that out right at the start of my remarks.

I will, if I may, repeat what the Electoral Commission said, because they are important words that the House needs to hear to reach a judgment. It said that individual registration

"would be a major change to the electoral registration system in Great Britain. There will need to be detailed planning and identification of key milestones to provide the basis for moving towards implementation of individual electoral registration over a number of years, including the delivery of public awareness campaigns during any transition to a new system. There will also need to be a real effort to make sure Electoral Registration Officers throughout Great Britain have the right tools to ensure all those who are entitled to be registered to vote are helped to do so."

I stress

"the right tools to ensure all those who are entitled";

that is precisely what we are discussing.

We agree with the Electoral Commission's analysis, and I have already outlined the steps that we have taken, and are taking, to enhance the reach of the register. We can have a register that is both comprehensive and accurate, but only if we frame the process in a way that prepares the public for the transition to a new form of registration and do all that is in our power to ensure that registration rates do not fall. If we fail to do that, we damage the legitimacy of the electoral process and our democracy.

The Government will propose amendments during the House of Lords stages of the Bill to put in place a statutory timetable for the introduction of individual registration, begin the roll-out of measures to prepare both the public and the electoral system for that change, and put in place a series of tests, which are to be independently assessed by the Electoral Commission, that will ensure that the shift is made only when the system is ready for it.

We will legislate to allow local authority electoral registration officers to collect personal identifiers—date of birth, signature and national insurance number—from electors. That will take place alongside the existing process of household registration. Provision of the identifiers would be voluntary. That process, which we are calling permissive individual registration, would begin during the autumn 2010 annual canvass.

Dr. Whitehead: Is it my right hon. Friend's intention to include in that timetable, with which I wholeheartedly concur, the piloting and rolling out of electoral registration and the inclusion, in the way he describes, of the information that he suggests is necessary? Does he therefore think that the timetable for piloting and for the national roll-out of data sharing, and the electoral registration drive, are central parts of a larger timetable, as far as individual identifiers are concerned?

Mr. Wills: If my hon. Friend bears with me for two or three minutes, I will come to that point, because the two things are linked, although not quite in the way that he suggests. In the early stages, to ensure that we take time to acclimatise the electorate to the radical change that is proposed, there would be no distinction drawn between those people who were registered to vote through having been included on a household form, and those who had voluntarily provided their identifiers. Household registration would effectively remain in place, but a base of identifier data would be being built up alongside it. I will work closely with electoral administrators and the Electoral Commission to ensure that the lessons of the Gould report are applied during the initial, permissive period.

Under the Bill, the provision of identifiers will become compulsory at the time of the autumn 2015 annual canvass. That lead-in would give the Electoral Commission time to consider the full weight of evidence on the collection of identifiers, help electoral registration officers to identify why certain groups might have difficulty providing them, and allow the Electoral Commission to start addressing those problems before any move to full individual registration.

Chris Ruane: I thank my right hon. Friend for giving way yet again. Does he think that the timetable, with its end date of 2015, is long enough, bearing in mind that the changes that we made in 2006 to improve the electoral register have increased it by only 500,000? There are still 3 million people missing. It has taken three years to get 500,000 people back on the register; how long does he think that it will take to get 3.5 million people back on the register?

Mr. Heath: It is simple arithmetic.

Mr. Wills: No, it is not. *[Interruption.]* Good. I hope that the hon. Gentleman will just signal that in future. I will address the point made by my hon. Friend the Member for Vale of Clwyd (Chris Ruane) in a moment; things are not quite as easy as that.

Mr. Love: I thank my right hon. Friend for giving way. My question relates to the Electoral Commission and its role of signalling whether individual registration should be undertaken. Will it be able to override the 2015 date if, in its view, we are not ready to move to individual registration?

Mr. Wills: I am coming to that point. If hon. Members will be patient for a bit longer, the full majesty of the scheme will unfold. The time scale should give the Electoral Commission sufficient time to assess whether we are ready to move to the compulsory system. It will also enable a decision to be taken on what the most appropriate identifier is after the move to the next stage.

Mrs. Laing: On that point, and the point raised by the hon. Member for Edmonton (Mr. Love) about the timetable, when Mr. Peter Wardle, speaking for the Electoral Commission, gave evidence at the beginning of the Bill's Committee stage, he said that he thought that individual registration could begin with the 2010 renewal canvass, and that from then, it would be a

"two to three year gradual process until the register is complete and has a much greater degree of integrity, in that there are personal identifiers for each person registered."—[*Official Report, Political Parties and Elections Public Bill Committee*, 6 November 2008; c. 60, Q154.]

I took that to mean that it was the view of the Electoral Commission that the whole thing could be put in place by 2013, or possibly 2014.

Mr. Wills: If the hon. Lady reflects on that, she will see that the two timetables are not too different. As always, there is an element of judgment involved, but we are talking about a profound shift. If we got it wrong and, as a result of shifting to individual registration, which we all agree is desirable, large numbers of people who were eligible to vote fell off the register, it would be a disaster. We must not botch it if we can possibly avoid doing so. A proper time scale enables us to ensure that we do not.

A crucial element that we have not discussed so far is the census; I am happy to try to reassure the hon. Lady on that point. The 2011 census will be helpful in determining the proportion of eligible voters who are registered. I am not referring to the absolute numbers, which I mentioned earlier. As the hon. Lady will be aware, it is methodologically extremely difficult to get a figure for the proportion of eligible voters who are registered. The figure of 91 per cent. was mentioned; that was the result of an extremely complex methodological exercise, and the figure is hedged around with caveats. However, we know for a fact that far too many people who are eligible to vote are not registered to do so.

The 2011 census will give us a valuable database. It is the first census that has a nationality question on it, so it will give the Electoral Commission a great deal of potentially very important data on which to make the assessment that I am about to discuss. It is worth remarking that, as I understand it, the data will not begin to be processed until well into 2012, after which lessons will have to be learned. If the hon. Lady does some simple arithmetic—she can borrow it from the Liberal Democrats—she will find that the two timetables are pretty close together.

David Howarth: Will the Minister give way?

Mr. Wills: I have found that I am about to answer a lot of the questions that I am being asked. If the hon. Gentleman will allow me to make some progress, he might find that he has the answer to his question. If not, I will be happy to give way to him.

From autumn 2015, all people making new registrations—for instance, if they are moving house and reregistering or entirely new to the register—will have to provide their identifiers to be put on to the register. Anyone already on the register in autumn 2015 who does not provide their identifiers will be carried forward for a further two years to 2017. From that point

on, there will be full compulsion and we will have full individual registration. Everyone on the register will have provided identifiers.

However, we also intend to provide that that shift will proceed in 2015 only if two statutory tests are met. Those tests will be on the state of preparation for the change and the robustness of the existing registration system, which the Electoral Commission will assess no earlier than January 2014. The commission will have to have a reasonable expectation that the move to compulsory provision of identifiers would not compromise the accuracy or comprehensiveness of the register by the point of full individual registration being introduced in 2017. It must believe that the electoral register is both as comprehensive and accurate as is reasonably practicable, and that the effectiveness of the registration system is improving across Great Britain. That finding will have to be supported by performance standards data and other measures.

It will be for the commission to determine whether those tests have been passed. However, we expect that it will not just assess the situation at national level but ensure that patterns of improvement are consistent right across the country, and that registration officers are succeeding in reaching out to those groups that are currently, and have historically been, under-represented on the electoral register.

David Howarth: My query is about the previous part of the plan, the point at which the provision of identifiers is not yet compulsory. I have a number of concerns about that. What the Minister is announcing is immensely important, and by the time identifiers become compulsory we must have learned as much as possible about what the pitfalls might be. How will the system work during that run-up period? Will different areas do different things? Unless they do so, surely we will not be able to learn the possibilities of the scheme. For example, a student library card might be an identifier in a student area, but not in a different area. What will happen so that we get experimental data in that period?

Mr. Wills: I addressed that point earlier when I mentioned the criteria for the pilot, but I am happy to say a little more about it. We genuinely want to consult and take views on it, and we will be interested in the hon. Gentleman's views about how we should structure the scheme. He is right in principle, and we intend to set up the piloting in such a way that it gathers all useful evidence. We are open to what that might be, and his constituency experience will be valuable.

The hon. Gentleman is right that we need information about how willing people are to give up their personal information. That will be crucial in deciding how to maintain the comprehensiveness of the register. Some people will be daunted by the requirement, and some will think that it is too much bother. We have to work out how real those problems are and what we can do to address them. We must consider whether public information will work, or whether there are other ways in which we can reach out to people. Those are complex issues, and that is the whole point of the piloting. Some of the databases that we will be using might be very useful for the purpose and some might not, but finding out about all those things will provide invaluable data. That is why we are anxious about rushing the scheme. We certainly do not want to delay it unnecessarily, because it is an important change. We agree that the system is desirable and have tried to strike a balance between ensuring that we get it right, and that people do not fall off the register, and moving with due speed towards implementing it.

Mr. Hogg: The Minister is right that a comprehensive register is an important object of policy, but so is establishing a register that prevents fraud and abuse, particularly with regard to absent voting. What troubles me in listening to him is that it appears that the Electoral Commission, in making its adjudications, will concentrate primarily on gaining comprehensiveness. In the criteria that the commission will be given, how important will the objective of preventing fraud be? That does not necessarily work in tandem with ensuring comprehensiveness, and for me, preventing fraud is more important.

8.15 pm

Mr. Wills: Again, I had hoped that I had made this clear. I said that they were both fundamental problems, and the whole problem has been that they have been prioritised differently. We are saying that they cannot be. They must both be absolute priorities, as they are both too fundamentally important to be compromised. The right hon. and learned Gentleman is absolutely right that we cannot compromise on the integrity and accuracy of the register, but neither can we compromise on its comprehensiveness. Both are fundamental to the health of our democracy. There is no choice or trade-off. The language is clear: there is to be comprehensiveness and accuracy, with no prioritisation.

Dr. Gavin Strang (Edinburgh, East) (Lab): I am sure that my right hon. Friend is right to spell out just how historic this shift is, but when it comes to the crucial decision about when the whole thing goes live and household registration ceases to have any validity, it is one thing to say that the Electoral Commission will tell us what has happened and advise us, after which the decision will be taken by Ministers accountable to the House. It is another thing to say that the whole thing will be put under the commission's control. Which are the Government proposing?

Mr. Wills: It is not the latter, but I am limping towards the end of my speech and I will address these points.

Chris Ruane: The hon. Member for Cambridge (David Howarth) said that different areas do different things, which is true. I shall illustrate that point graphically. When the former leader of the Liberal Democrats in Islington was challenged to go on an electoral registration drive prior to an election, he refused. He said that not having registration drives was how Liberal Democrats won elections. *[Interruption.]* What measures can be taken to prevent political interference? All the measures that my right hon. Friend the Minister takes will mean nothing if there is political interference from the top, and if people deny the opportunity for promotion and deny electoral registration officers resources. What can he do to ensure that there is no recurrence of such Liberal Democrat electioneering?

Mr. Wills: I assume that the chorus of noises from the Liberal Democrats means that they agree with my hon. Friend that that comment by the Liberal Democrat leader in Islington was disgraceful. *[Interruption.]* I am not sure whether they agree—they will speak for themselves about that in due course. If my hon. Friend will forgive me, I am announcing certain measures today, and more will be announced by the end of June, so all will be in its due place.

As I have said, the decision will be for the commission to make. However, if it concludes that the tests that I mentioned have been met, it will recommend that the shift to full individual registration should proceed, subject only to a vote by Parliament on whether to accept the recommendation. If the commission recommends not making that shift, or if Parliament does not endorse a positive recommendation, further legislation will be required.

David Howarth: This point is important, and it is related to what the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) said. Does the Minister envisage that there will be an unamendable order to bring the new scheme into force? I guess that there will be a lot of debate about which identifiers are acceptable and which are not, so a simple up-down vote at that point would be the wrong procedure.

Mr. Wills: I will consider that point carefully. There are issues about the identifiers. My instinct at the moment is that there should be a straight yes or no. We have set in place a process that we want to deliver an end, subject to a fundamental test. I do not think that there is any disagreement in the House about the desirability of the end—full, comprehensive individual registration. I do not really detect, despite all the interventions, any disagreement that the register must be as comprehensive as possible. So far, I think that the entire House agrees that those are both immutable priorities.

Mr. Heath: Will the Minister give way?

Mr. Wills: I will give way, but all that I can say is that these proceedings finish at 9 o'clock and that, at this rate, I will not even be able to reveal the full details of our proposals.

Mr. Heath: I am grateful to the Minister, but it is precisely the fact that he will not able to reveal the full details that is the problem. This is the single biggest thing in the entire Bill, and it is not in the form of a Government amendment before the House is asked to pass the Bill to another place. That, frankly, is not satisfactory, and he must realise that.

Mr. Wills: If the hon. Gentleman will let me finish my remarks, he can make a speech, saying exactly what he thinks of them; but until he has heard them, he might do me the justice of listening to what I have to say, and then he can comment on it. All that I can say is that the amendments will be debated in the other place. They will then, no doubt, come back to the House, and he will have plenty of opportunity to contribute to this process. It is a process; it is not happening now, it is beginning now. There will be plenty of time for this to happen. We are quite clear that this proceeds fundamentally only on the basis of consensus. It must endure. There is no point in going ahead unless there is broad agreement not only on the ends—I think that there is—but on the modalities. If it goes wrong, we will all do great damage to democracy.

Mr. Hogg: The right hon. Gentleman says that he wants consensus. I understand him to be saying that these fundamentally important amendments will be introduced in the other place. They will then come back to the House, where they will be debated probably for an hour. That is not a proper way in which to get consensus. It is extraordinarily late to introduce amendments of this moment, but to do so in the other place and then have them debated in the House for an hour is scandalous.

Mr. Wills: I do not agree with the right hon. and learned Gentleman's use of that adjective. He may have a relatively minor point about the process, but I should like to focus on what we are trying to achieve with these new clauses.

Mr. Heath: Will the Minister give way?

Mr. Wills: I will not give way for at least two minutes.

I think that we have reached agreement on the broad principles, if not yet on the modalities. I hope that this goes without saying, but I should say for the record that all this will be subject to available resources, and I think that hon. Members on both sides of the House will recognise that fact. Given that it is so important that this historic move is non-partisan, we have put the Electoral Commission at the centre of the move to individual registration, although, crucially, as I have said, Parliament will have the final say. We have consulted the Electoral Commission about its role, and it is content with it.

For too long, the debate on electoral registration, which is the foundation of our democracy, has focused either on one or the other of these two fundamental principles—either on the reach of the register, or on its integrity—and as a result, we have persisted with a system that no longer has any place in Britain today. The time has come to make this change.

The proposals that we are announcing today and the strategy to carry them forward will introduce individual registration as soon as it is possible without damaging the reach of the register. That link between the system of registration and its reach ensures that this historic shift, if and when it takes place, will ensure a level playing field for all political parties. That is the guarantor of the legitimacy of the change, and it is what will ensure that it endures.

For all those reasons, I hope that the House will support the new clauses and, in doing so, endorse the strategy that lies behind them. We have an opportunity now, no matter what the concerns about the process. I understand the concerns, but we will do whatever we can to mitigate them. I have no theological problem with the concerns about modalities that have been expressed by Opposition Members. What is absolutely fundamental—I hope that the House will agree on this today—is that we endorse the fundamental principles and that we move to individual registration on the basis of a register that is as comprehensive and accurate as possible, and these new clauses are the start of that process.

Mrs. Laing: We welcome these new clauses. The Minister has stressed several times during his speech the fundamental principles, and we agree with him on those principles. Indeed, the Opposition said from the very beginning, when the Bill was first introduced, that there was no point in having a Bill about political parties and elections without the sort of provision that the Minister has introduced this evening. Although I understand his explanations about the practical difficulties that he has faced in introducing his proposals tonight, what is sad is that, if the provisions had been included at the beginning of our scrutiny of the Bill, by this point in the proceedings—we are minutes away from the debate on Third Reading—he would have had the consensus that he asked for. As far as I can tell from long and detailed consideration in Committee, we are all in agreement about what we are trying to achieve. The question is how, and what the balance is between the needs of the individual, of privacy and of preventing fraud and so on, and the integrity of the ballot.

Mr. Heath: The hon. Lady knows that we have had this argument before, with the Conservatives and the Liberal Democrats strongly advocating the need for personal identification and individual registration and the Government rejecting it, but does she not agree that taking such action at this stage, with nothing relating to any Government proposals on the amendment paper for us to vote on, is simply unsatisfactory? Does she agree that the best course of action would be for the Minister now, with a manuscript amendment, to recommit the Bill with his new amendments, so that it can be reconsidered in Committee and we can do the job that the House is elected to do, rather than giving it to another House that is not elected?

Mrs. Laing: The hon. Gentleman makes a very good point; of course, I agree. Indeed, I agree with the Minister, and we all agree that we want to improve the integrity of the ballot and the electoral system, and to enhance and indeed restore confidence in that system. At the same time, however, I want the integrity and supremacy of the House of Commons to be protected, so I object, as do Liberal Democrat Members, to the proposals being introduced so late.

Nevertheless, I will not oppose these new clauses. I will not encourage the Conservative party to vote against them, because half a loaf is better than no bread at all, and it is better that these provisions should be introduced at a time when at least they can be scrutinised in another place than that they should not be introduced at all.

David Howarth: I caution the hon. Lady to distinguish between new clauses 21 and 22, which are before us tonight, are about data sharing and have not yet been properly debated, and all the proposals the Minister announced, which sound very good, but are not before us tonight. Those two things are entirely separate, and I ask her not to come to any final conclusions on the new clauses until the debate has finished.

Mrs. Laing: No, I shall not do so. The hon. Gentleman is correct; the Minister has this evening put before us a set of new clauses that pave the way for further reform and which we welcome in principle, but he has explained matters to us only in words and with no legislative provision. This is not a debate about principles, however; it is the Report stage of a Bill that has already been scrutinised for many months, and we are only minutes away from moving on to Third Reading. It would have been much better if the House had been able to consider these matters properly. It might be constitutionally correct by the letter to introduce such measures in, effectively, the other place and not in the House of Commons, but it is not constitutionally correct in principle.

Mr. Hogg: To reinforce what my hon. Friend has just said, I point out that the programme order provides that amendments from the House of Lords may themselves be programmed, and it is therefore likely that if substantive amendments come from the other place, we will be given a very short period in which to comment on them.

8.30 pm

Mrs. Laing: As ever, my right hon. and learned Friend is absolutely correct. Indeed, the method of dealing with the Bill, with the timetables introduced over several months now, has been a disgrace to democracy. *[Interruption.]* Ministers may laugh, but I am trying to help them, because in principle what they say they wish to achieve is also what I wish to achieve. However, we have no way of knowing its precise details and by what method it will be achieved.

My right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) mentioned timetabling, and I am currently particularly concerned about that, because this evening we have only 29 minutes of Report left and there are some very important matters that we are unlikely to have time to address because we have suddenly had to deal with this other group of new clauses. I am thinking in particular of the very important new clause 23, which was tabled by my hon. Friend the Member for New Forest, East (Dr. Lewis) and which deserves to be debated and voted upon by this House, although that is unlikely to happen.

Mr. Wills: I do not want to delay the hon. Lady, but I ask her to reconsider her comments about the timetabling being a disgrace. The reason why there have been so many new amendments and changes is that we have approached these matters openly; we have listened to what the House has said, and we have changed things in response. We have not rammed the measure through; if we had made up our mind without listening, rammed it through and done exactly what we first proposed, this process would all have been much simpler and easier. It is precisely because we have listened and decided to proceed on the basis of consensus that the timetabling has been the way it has. May I also reassure the hon. Lady that we will do whatever we can to ensure that the House has an opportunity to debate these important points on their return from the Lords? We will do whatever we can, as we always have.

Mrs. Laing: I understand what the Minister is saying, but I am unsure whether his colleagues who deal with the business of the House will agree with him. I must point out that the principles set out in my new clause 16, which we will not now have time to debate, attempt to achieve what he now says he is attempting to achieve, and I am delighted that he has once again embraced Conservative policy, which has been right since the

[Mrs. Laing]

beginning of our consideration of the Bill. Indeed, I recall standing at this Dispatch Box proposing a very similar measure in 2005, when we debated what is now the 2006 Act. I have been asking for these things for more than four years. *[Interruption.]* Did the Lord Chancellor say, "Be gracious"?

Mr. Wills *rose—*

Mrs. Laing: Well, I shall indeed be gracious by giving way again to the Minister.

Mr. Wills: I also want to be gracious to the hon. Lady, who is, in fact, being very gracious about these matters. However, all the measures she and her party have brought forward have been silent on one of the great fundamental principles: how we drive up the comprehensiveness of the register. We are in agreement on accuracy, integrity and individual registration, but until tonight, we have not been in agreement on comprehensiveness. I am delighted that we now are.

Mrs. Laing: I am happy to confirm that we are in agreement; of course we want the register to be comprehensive.

I should like briefly to make some progress, because I know that other hon. Members wish to speak on this matter, although many of them have already intervened. We welcome these specific new clauses, as they pave the way for much more that needs to be done to improve and secure the integrity of the ballot. The principles of individual voter registration and the use of personal identifiers are absolutely fundamental to the aim of improving the integrity of the ballot.

Martin Horwood *rose—*

Mrs. Laing: I shall give way to the hon. Gentleman, but he must understand that his Liberal colleagues will not have time to make their wonderful speeches.

Martin Horwood: I am astonished by the Conservative party's failure to oppose these new clauses. Surely the principle here is the concentration of power in the hands of the few. That used to mean Tory aristocrats trying to buy constituencies with their wealth—perhaps it still does—but the important principle at stake is the concentration of information in the hands of the state, and that is especially worrying in the case of a state as careless with people's personal data as this one. Surely the hon. Lady should be opposing these proposals.

Mrs. Laing: I am coming to the point about data security. I am also being careful to stay within the rules and not speak to the next group of amendments.

David Howarth: The Minister did.

Mrs. Laing: Well, had I had a chance to do so, I would have extolled at much greater length the virtues of individual voter registration and personal identifiers. Some in this House will know that we dealt with those matters at great length in Committee, so I am satisfied that the principles have been thoroughly examined. The Committee was more or less unanimous in agreeing that individual voter registration, personal identifiers and all the other matters that I would have proposed in the next group of amendments have now been accepted in principle by the Government. I am delighted about that; I would even go so far as to call it a U-turn, and I am delighted that it is a U-turn in the Conservative direction. We appreciate, of course, that the new clauses are necessary in order to ensure that as many people as possible who are entitled to vote are properly registered to vote. Just as importantly, people who are not entitled to vote should not be on the register, and it should not contain any names that are not those of real people—the integrity of the register itself is so important.

Mr. Love: May I again point out the Conservatives' focus on ensuring the integrity of the register to the exclusion of its comprehensiveness? Can the hon. Lady tell us how many cases of individual registration fraud, if any, there have been in the past five years?

Mrs. Laing: I do not have the exact number at my fingertips, but that is not the point. The hon. Gentleman has made his point a few times this evening, and I do not entirely agree with him. He says that one side of the argument should take precedence over the other, but I do not believe that it should. Surely we can devise a system that ensures that all those who are entitled to vote are registered and are encouraged and able to vote, while also stopping fraud in the register. They are equal aims, goals and principles, and one should not take precedence over the other.

Chris Ruane: Is the hon. Lady on record anywhere stating her belief in the importance of the comprehensiveness of the register? Is that an important aim for her party?

Mrs. Laing: I believe that I am on the record as saying that, but just in case, I am happy to go on the record right now and say it. Of course, I agreed with the Minister on the fundamental principles that he put forward. Some 91 per cent. of those entitled to vote are registered to vote, and that is not good enough. Every single person, especially those who, because of disability or other reason, have difficulty in registering to vote, should be helped to register to do so. That is extremely important and in our own personal campaigning in our constituencies we do all we can to ensure that all the people whom we can reach register to vote and do vote, especially—no, I shall not say any more about which way they vote. In principle, we want everyone to be registered to vote, and I am happy to go on the record on that.

I take the Minister's point about two-tier local authorities, for example. It is therefore important that the measures that he has proposed should come into force. However, most importantly, it is the individual who has the right to vote, not the householder. It is the individual who has the right, and indeed the duty, to participate in the democratic system, and therefore the system should recognise the individual. We want to improve the integrity of the ballot and restore the security and accuracy of, and the people's confidence in, our electoral system.

At the same time, I do of course have concerns about data sharing, which several hon. Members have mentioned. That is why I am concerned that we will not be able to scrutinise properly the new clauses before us. Neither will we be able to scrutinise the Minister's proposals, as they are not before us in any way. As my right hon. and

learned Friend the Member for Sleaford and North Hykeham said earlier, it is all very well for the Minister to say that these matters will come before the House under the affirmative resolution procedure, but an affirmative resolution is not amendable and usually gives rise to a debate of one and a half hours—

David Howarth: If that.

Mrs. Laing: Indeed. That is not sufficient to scrutinise such proposals properly, so I wish to put it on the record that we are concerned about that. Although we want to work with the Government to bring about the aims towards which we are all working, there are better ways to do it than this. There are better ways to improve democracy through the democratic system.

If the Minister can give us undertakings that this measure is specific and has a finite purpose, I would simply ask for his assurance that these provisions could not be used to increase data sharing generally. He said that they were for the provision of specific information and for a sole purpose, and that is very important in terms of data sharing, security and protection.

Mr. Wills: These are important points and I can give the hon. Lady exactly that assurance. I know that she is very exercised about the amount of time that the House has for debate and about the amendments that we will not reach tonight. They are important and we will do our best to accommodate the points that have been made through the usual channels. We accept that it is important that the House has proper time for discussion and I hope that the usual channels will make time available in due course.

Mrs. Laing: I take that as an assurance from the Minister on behalf of the Government that we will have proper time for debate. This is extremely important. It is not just a political argument for the sake of it. The Minister rightly says that he wishes to take the issue forward by means of consensus.

Mr. Hogg: Will my hon. Friend give way?

Mrs. Laing: In a moment.

The hon. Member for Cambridge (David Howarth), the Minister and I have spent many hours reaching some consensus on the principles that we are discussing. If the Government want consensus, they must give the House an opportunity to come to a consensus. Consensus cannot just be reached, but must be seen to be reached—to coin a legal phrase, which I see the Lord Chancellor appreciates. I give way to my right hon. and learned Friend, who, I hope, will agree with me on the legal principle.

Mr. Hogg: I did not intend to touch on that. We have been told by the Minister that we will be given proper and appropriate time for consideration. Who will be the judge of that? May I suggest to my hon. Friend that the best thing is to extract an undertaking from the Minister that the time spent on the House on Lords amendments will be agreed by all the parties before the timetable motion is tabled?

Mrs. Laing: I will attempt, as my right hon. and learned Friend suggests, to extract that undertaking from the Minister. I will be surprised if I get it.

Mr. Wills: The right hon. and learned Gentleman has been in the House far longer than I—

Mr. Straw: He was a Whip, too.

Mr. Wills: Indeed. He is asking for something that he knows he is not going to get. However, what the hon. Lady says is right—we have demonstrated time and again that we want consensus on the matter, so I can give the assurance that we genuinely want that. I agree that we will not get it until there has been a proper opportunity to debate the matter in the House. The right hon. and learned Gentleman should be satisfied with that reassurance. The hon. Lady's argument is right. The matter will be decided collectively through the usual channels, as the right hon. and learned Gentleman well knows.

Mrs. Laing: I appreciate that the Minister's undertakings are genuine, and I believe him when he says that he wants to achieve what we all want to achieve. Whether he will succeed in getting the usual channels and the Leader of the House to give the amount of time that we—I think I speak for everyone on the Opposition Benches—consider to be realistic and necessary is another matter. For a moment even the hon. Member for Perth and North Perthshire (Pete Wishart) and I agree. However, I believe that the Minister will try. *[Interruption.]* The Minister asks how long. The answer is long enough for all the hon. Members who have expressed concern this evening and throughout the passage of the Bill to express them properly about data.

Mr. Wills: To guide us in our reflections, can the hon. Lady tell me how much time she thinks will be a proper amount of time?

Mr. Hogg: Six hours.

Mrs. Laing: The principle is so important that I had hoped that tonight we might have several hours on new clause 16, the principles of individual voter registration and so on. When I saw the Minister's new clauses, which we are discussing, I had hoped that we would have a few hours on those as well. I would say that we need at least six hours.

Mr. Heath: Does the hon. Lady agree that it is a matter not of time, but of process? What would be ideal would be a Committee stage, followed by a period for reflection, followed by a Report stage and Third Reading.

Mrs. Laing: The issue is about more than the hours. We should be able to scrutinise the legislation line by line, with amendments—including probing amendments. We need to consider it very carefully. As the Minister says, the Bill has been considerably improved during its passage through the House. That is the point: it has been improved because we have scrutinised it—the Minister said that himself. It would be further improved if we could scrutinise the new proposals that he has put forward this evening.

[Mrs. Laing]

I want to ask the Minister a few questions about data security. Will he assure us, on behalf of the individuals of this country, that adequate data security procedures will be in place to ensure that the enormous amount of personal data to which the clauses refer are properly protected—that is, better protected than the personal information that the Government have lost in recent months? Will the Electoral Commission be required to lay before Parliament a copy of its report on the data-sharing scheme? Will the Information Commissioner be required to produce a report in respect of subsection (4)? Will registration officers be required to undertake a privacy impact assessment?

Those are precise questions, but this is not the time for asking them or the atmosphere in which they should be asked; we are now nine minutes from Third Reading. I do not suppose that the Minister will have a chance to answer the questions this evening. *[Interruption.]* The Minister says that he will write to me, and I appreciate that. However, we should ask the questions in an atmosphere where the Minister and Members can properly scrutinise the information before us.

Having said all that, I am pleased that the Government have brought forward the proposals this evening. As I said a few moments ago, at the beginning of the Bill's passage we said that there was no point in a political parties and elections Bill that did not include provisions to improve the integrity of the ballot and the individual's right to register and vote. We are delighted that, at last, the Minister—albeit at the eleventh hour—has come forward with the proposals for which we have been looking for many months.

David Howarth: This has been a remarkable hour and a half. Through a group of new clauses about data sharing, the Government have announced a reform of the entire electoral registration system, and in a wholly new direction. It should be said that my party has called for that new direction for some time; we certainly welcome it and we thank the Government for it. I should also say that, unlike some Conservatives, I have always accepted the Government's other point, on which the Minister spent a good deal of time before he got to the details of the major concession. It is that if we are to move to a system of individual registration, there needs to be some preparation and a comprehensive study of the possible pitfalls and problems. We do not want there to be a move to an individual registration system that results in a great fall in the number of people registered. We would then have to spend years and years trying to scramble back up to where we were at the beginning.

Mrs. Laing: For the record, I should say that I entirely agree with what the hon. Gentleman has just said.

David Howarth: I am very glad to hear that. I think that at last we have achieved consensus on an issue where there was no apparent consensus on Second Reading or, for a good deal of the time, in Committee.

There are, though, serious problems to consider, and the hon. Member for Epping Forest (Mrs. Laing) rightly raised a large number, which I will not repeat because time is short. If I could be forgiven for making a parochial point from my own constituency, a typical question that arises when one moves to a system of individual registration is what happens to students. At the moment, students in halls of residence are often treated by the electoral registration officer as living in a single household, and the university or college authorities take the role of head of household and fill in the electoral registration forms on behalf of those students. If we are to move to a system of individual registration, as we should, it will take a while for those institutions to work out new ways of encouraging their students to register. That is possible, and it is not something to be afraid of, but it needs time to work through to ensure that it happens.

Like other Members, I am concerned about the process by which this change of direction has been announced. The Minister says that he has been listening in the course of the debates on Second Reading and in Committee. That is true. I would like to pay tribute to the way in which he has approached the Bill; he has indeed listened. However, if someone is listening, they should take sufficient time to work out what they are going to do as a consequence of what they have heard. He might have felt somewhat rushed by the fact that we have had one day on Report, with a second day now under way, and felt that he had to announce these proposals before they had been properly written down. It would have been better, in process terms, and would have shortened the debate—certainly, shortened his speech—if we had taken a few more days before getting to the second day on Report. We would then have had before us proposals that were fully written out and that we could consider and debate in the normal way. As it is, we will end up taking even more time and there will be even more worries about the content of what is proposed.

However, as I said to the hon. Member for Epping Forest earlier, those proposals are not before us tonight: not in this group of new clauses and amendments, nor in any group. Instead, we have before us new clauses about data sharing. Because of the debates that have been going on in the Committee on the Coroners and Justice Bill, many of us are rather more sensitive to the problems raised—

Mr. Hogg: I agree with an awful lot of what the hon. Gentleman has said. The truth is that we do not know the detail of, and we will not have the opportunity properly to discuss, the nature of the amendments to be moved in the other place. Does he agree that the proper thing to do now is to recommit the relevant parts of the Bill to a Public Bill Committee where the Government can table their amendments to be considered and reported back to this House on a further Report stage?

David Howarth: The right hon. and learned Gentleman is entirely correct, given the momentous nature of the new clauses that will be proposed in the other place and the fact that they are about electing Members to this place and nothing to do with what happens in the other place.

Chris Ruane: The hon. Gentleman has expressed his concerns about databases. I think that 420 electoral registration authorities currently have access to local government databases. Can he name one occasion when those databases have been corrupted or shared when they should not have been?

David Howarth: I do not know of any off the top of my head, but my point concerns the nature of the powers that are being offered in the new clause, which have not been properly examined.

As I said, because of the debate that took place in the Committee considering the Coroners and Justice Bill, there is a great deal more sensitivity in the House about the problems raised by data-sharing orders than there has been, particularly regarding the role of the Information Commissioner in introducing such orders. Also—

9 pm

Debate interrupted (Programme Order, 9 February).

The Deputy Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83E). That the clause be read a Second time.

Question agreed to.

New clause 21 accordingly read a Second time, and added to the Bill.

The Deputy Speaker then put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83E).

New Clause 22

SCHEMES UNDER SECTION [SCHEMES FOR PROVISION OF DATA TO REGISTRATION OFFICERS]: PROPOSALS, CONSULTATION AND EVALUATION

'(1) A scheme may be included in an order under section [Schemes for provision of data to registration officers] only if a proposal has been submitted to the Secretary of State by the registration officer to whom the scheme relates and the scheme gives effect to the proposal, either—

(a) without modification, or

(b) with modifications suggested by the Secretary of State and agreed to by the officer.

(2) The Secretary of State may not make an order under section [Schemes for provision of data to registration officers] without first consulting—

(a) the Electoral Commission;

(b) any person authorised or required by the order to provide information to a registration officer;

(c) the Information Commissioner.

(3) An order under section [Schemes for provision of data to registration officers] must specify a date (the "evaluation date") for each scheme included in the order.

The Electoral Commission must prepare a report on the operation of each scheme and, no later than the evaluation date, give a copy of it—

(a) to the registration officer concerned, and

(b) to the Secretary of State.

(4) A report under subsection (3) must set out the terms of the scheme and must contain—

(a) a description of the scheme;

(b) an assessment of the matters set out in subsection (5);

(c) anything else specified in the order under section [Schemes for provision of data to registration officers].

(5) The matters are—

(a) the extent to which the scheme has achieved the purpose mentioned in section [Schemes for provision of data to registration officers](2);

(b) whether there was any objection to the scheme, and if so how much;

(c) how easy the scheme was to administer;

(d) the extent to which the scheme resulted in savings of time and costs, or the opposite.

(6) The registration officer concerned—

(a) must give the Electoral Commission whatever assistance they reasonably require in connection with the preparation of the report;

(b) must publish the report in whatever way the officer thinks appropriate.

(7) In this section "registration officer" and "scheme" mean the same as in section [Schemes for provision of data to registration officers].'.—*(Mr. Wills.)*

Brought up, and added to the Bill.

Dr. Julian Lewis (New Forest, East) (Con): On a point of order, Madam Deputy Speaker. I should be most grateful if there were an opportunity to put new clause 23 to a vote on the grounds that it is consistent with decisions previously taken by the House about the security of hon. Members' home addresses. *[Interruption.]*

Madam Deputy Speaker (Sylvia Heal): Order. In view of the comments that the hon. Gentleman has made, I have decided that in the circumstances he has outlined, I will select new clause 23 for a separate decision.

New Clause 23

CANDIDATE AT PARLIAMENTARY ELECTION MAY WITHHOLD HOME ADDRESS FROM PUBLICATION

'(1) Schedule 1 to the 1983 Act (parliamentary elections rules) is amended as follows.

(2) In rule 6 (nomination of candidates)—

(a) sub-paragraph (b) of paragraph (2) is omitted;

(b) after paragraph (3) there is inserted—

"(4) The nomination paper must be accompanied by a form (in this Schedule referred to as the "home address form") which states the candidate's—

(a) full names, and

(b) home address in full.

Provision in paragraph (1) above about delivery of the nomination paper applies also to the home address form.

(5) The home address form—

(a) may contain a statement made and signed by the candidate that he requires the home address not to be made public; and

(b) if it does so, must state the constituency within which that address is situated (or, if that address is outside the United Kingdom, the country within which it is situated)."

(3) In rule 11 (right to attend nomination)—

(a) in paragraph (3), after "nomination paper" there is inserted "and associated home address form";

(b) after paragraph (4) there is inserted—

"(5) The returning officer shall not permit a home address form to be inspected otherwise than in accordance with this rule, or for some other purpose authorised by law."

(4) In rule 12 (validity of nomination papers), in paragraph (1)—

(a) after "consent to it" there is inserted "and the home address form";

(b) after sub-paragraph (a) there is inserted—

"(aa) the returning officer decides that the home address form does not comply with rule 6(4); or".

(5) In rule 14 (publication of statement of persons nominated), after paragraph (3) there is inserted—

"(3A) In relation to a nominated person in whose case the home address form (or, if the person is nominated by more than one nomination paper, any of the home address forms) contains—

(a) the statement mentioned in rule 6(5)(a), and

(b) the information mentioned in rule 6(5)(b),

the reference in paragraph (2) to the person's address shall be read as a reference to the information mentioned in rule 6(5)(b)."

(6) After paragraph (4) of that rule there is inserted—

"(4A) Where—

(a) two or more of the names shown on the statement are the same or so similar as to be likely to cause confusion,

(b) paragraph (3A) applies in relation to each of the persons in question, and

(c) the information mentioned in rule 6(5)(b) is the same for each of them,

the returning officer may cause any of their particulars to be shown on the statement with such amendments or additions as the officer thinks appropriate in order to reduce the likelihood of confusion.

(4B) Where it is practicable to do so before the publication of the statement, the returning officer shall consult any person whose particulars are to be amended or added to under paragraph (4A).

(4C) The returning officer must give notice in writing to any person whose particulars are amended or added to under paragraph (4A).

(4D) Anything done by a returning officer in pursuance of paragraph (4A) must not be questioned in any proceedings other than proceedings on an election petition.

(4E) A returning officer must have regard to any guidance issued by the Electoral Commission for the purposes of paragraph (4A)."

(7) Before rule 54 there is inserted—

"Destruction of home address forms

53A The returning officer shall destroy each candidate's home address form—

(a) on the next working day following the 21st day after the officer has returned the name of the member elected; or

(b) if an election petition questioning the election or return is presented before that day, on the next working day following the conclusion of proceedings on the petition or on appeal from such proceedings."'.—*(Dr. Julian Lewis.)*

Brought up.

Question put, That the clause be added to the Bill.

The House proceeded to a Division.

Mr. Heath: On a point of order, Madam Deputy Speaker. I wonder whether there is any precedent for taking a Division on a completely undebated new clause, which falls in a later group that we have not yet reached, which is in the hands of Back Benchers from an Opposition party and which has not even been moved. Is there a precedent for that?

Madam Deputy Speaker: I have made a decision, and given my ruling and the reasons why this vote has been taken. I have nothing further to add.

The House having divided: Ayes 235, Noes 176.

Division No. 45] **[9.2 pm**

AYES

Afriyie, Adam
Ainger, Nick
Ainsworth, rh Mr. Bob
Ainsworth, Mr. Peter
Allen, Mr. Graham
Anderson, Janet
Atkins, Charlotte
Austin, John
Bailey, Mr. Adrian
Barker, Gregory
Barlow, Ms Celia
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blackman, Liz
Blizzard, Mr. Bob
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brake, Tom
Brown, rh Mr. Nicholas
Browning, Angela
Bryant, Chris
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Carswell, Mr. Douglas
Chapman, Ben
Chaytor, Mr. David
Chope, Mr. Christopher
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clelland, Mr. David
Cohen, Harry
Connarty, Michael
Cormack, Sir Patrick
Crabb, Mr. Stephen
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, David T.C. *(Monmouth)*
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Djanogly, Mr. Jonathan
Dobson, rh Frank
Donohoe, Mr. Brian H.
Dorrell, rh Mr. Stephen
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Efford, Clive
Ennis, Jeff
Etherington, Bill
Evans, Mr. Nigel
Fabricant, Michael
Flello, Mr. Robert
Flynn, Paul
Fox, Dr. Liam
Francis, Dr. Hywel
Gale, Mr. Roger
George, rh Mr. Bruce
Gillan, Mrs. Cheryl
Godsiff, Mr. Roger
Goodman, Helen
Goodwill, Mr. Robert
Gray, Mr. James
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Patrick
Harman, rh Ms Harriet
Harper, Mr. Mark
Harris, Mr. Tom
Hayes, Mr. John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hendry, Charles
Hewitt, rh Ms Patricia
Heyes, David
Hodgson, Mrs. Sharon
Hollobone, Mr. Philip
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Horwood, Martin
Howarth, rh Mr. George
Howarth, Mr. Gerald
Howell, John
Hurd, Mr. Nick
Iddon, Dr. Brian
Ilsley, Mr. Eric
Jackson, Mr. Stewart
James, Mrs. Siân C.
Johnson, Ms Diana R.
Jones, Mr. David
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeley, Barbara
Keen, Alan
Keen, Ann
Kilfoyle, Mr. Peter
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Ladyman, Dr. Stephen
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Laxton, Mr. Bob
Lepper, David
Levitt, Tom
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Mackay, rh Mr. Andrew
Marsden, Mr. Gordon
Mates, rh Mr. Michael
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McKechin, Ann
McKenna, Rosemary
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Moon, Mrs. Madeleine
Moran, Margaret

Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Ottaway, Richard
Owen, Albert
Paice, Mr. James
Palmer, Dr. Nick
Penrose, John
Pope, Mr. Greg
Prentice, Mr. Gordon
Prescott, rh Mr. John
Pritchard, Mark
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, John
Robertson, Mr. Laurence
Rooney, Mr. Terry
Rosindell, Andrew
Rowen, Paul
Roy, Mr. Frank
Roy, Lindsay
Ruddock, Joan
Russell, Christine
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simmonds, Mark
Simon, Mr. Siôn
Singh, Mr. Marsha
Snelgrove, Anne
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swayne, Mr. Desmond
Swinson, Jo
Tami, Mark
Taylor, Ms Dari
Taylor, Mr. Ian
Taylor, Dr. Richard
Thomas, Mr. Gareth
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Turner, Mr. Andrew
Turner, Dr. Desmond
Turner, Mr. Neil
Vara, Mr. Shailesh
Vis, Dr. Rudi
Walter, Mr. Robert
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whittingdale, Mr. John
Wicks, rh Malcolm
Wiggin, Bill
Williams, rh Mr. Alan
Williams, Mrs. Betty
Willis, Mr. Phil
Wilshire, Mr. David
Winterton, Ann
Wood, Mike
Woodward, rh Mr. Shaun
Wright, Jeremy
Wyatt, Derek

Tellers for the Ayes:
Dan Norris and Nadine Dorries

NOES

Alexander, Danny
Anderson, Mr. David
Armstrong, rh Hilary
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barrett, John
Barron, rh Mr. Kevin
Beith, rh Sir Alan
Berry, Roger
Bradshaw, Mr. Ben
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Browne, rh Des
Bruce, rh Malcolm
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Cash, Mr. William
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Coffey, Ann
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Creagh, Mary
Davey, Mr. Edward
Davies, Mr. Dai
Davies, Philip
Denham, rh Mr. John
Doran, Mr. Frank
Drew, Mr. David
Duddridge, James
Eagle, Angela
Eagle, Maria
Engel, Natascha
Farron, Tim
Featherstone, Lynne
Field, rh Mr. Frank
Field, Mr. Mark
Fisher, Mark
Fitzpatrick, Jim
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gardiner, Barry
George, Andrew
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gidley, Sandra
Goldsworthy, Julia
Greening, Justine
Grogan, Mr. John
Hall, Mr. Mike
Hancock, Mr. Mike
Hanson, rh Mr. David
Harris, Dr. Evan
Healey, rh John
Heath, Mr. David
Hemming, John
Heppell, Mr. John
Hesford, Stephen
Hill, rh Keith
Hoey, Kate
Hogg, rh Mr. Douglas
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Hosie, Stewart
Howarth, David
Howells, rh Dr. Kim
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hutton, rh Mr. John
Johnson, rh Alan
Jones, Lynne
Keeble, Ms Sally
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Khan, Mr. Sadiq
Kidney, Mr. David
Kramer, Susan
Kumar, Dr. Ashok
Lamb, Norman
Lammy, rh Mr. David
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Lazarowicz, Mark
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
MacNeil, Mr. Angus
MacShane, rh Mr. Denis
Marris, Rob
Martlew, Mr. Eric
Mason, John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McGuire, rh Mrs. Anne
McLoughlin, rh Mr. Patrick
McNulty, rh Mr. Tony
Milton, Anne
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Mole, Chris
Moore, Mr. Michael
Morley, rh Mr. Elliot
Mulholland, Greg
Naysmith, Dr. Doug
Oaten, Mr. Mark
Paterson, Mr. Owen
Pearson, Ian
Pelling, Mr. Andrew
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prosser, Gwyn
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Robertson, Angus
Robinson, Mr. Geoffrey
Salter, Martin
Sanders, Mr. Adrian
Selous, Andrew
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Soames, Mr. Nicholas
Soulsby, Sir Peter
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Taylor, David
Taylor, Matthew
Teather, Sarah
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Todd, Mr. Mark
Truswell, Mr. Paul
Tyrie, Mr. Andrew
Ussher, Kitty
Wallace, Mr. Ben
Walley, Joan
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Wills, rh Mr. Michael
Wilson, Phil
Winterton, rh Ms Rosie
Wishart, Pete
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony

Tellers for the Noes:
Dan Rogerson and Sir Robert Smith

Question accordingly agreed to.

New clause 23 added to the Bill.

Madam Deputy Speaker: We now have a number of consequential amendments to deal with. With the leave of the House, I would like to take them together.

Hon. Members: Object.

Madam Deputy Speaker: Very well. We now come to amendment 140, which is to be moved formally.

Schedule 4

MINOR AND CONSEQUENTIAL AMENDMENTS

Amendment proposed: 140, in page 44, line 24, at end insert—

'In section 65A (false statements in nomination papers etc), in subsection (1), after paragraph (a) there is inserted—

"(aa) (where the election is a parliamentary election) a statement under rule 6(5)(b) of Schedule 1 to this Act which he knows to be false in any particular; or".'.—*(Dr. Julian Lewis.)*

Question put, That the amendment be made.

The House divided: Ayes 223, Noes 158.

Division No. 46] **[9.15 pm**

AYES

Afriyie, Adam
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Austin, John
Bailey, Mr. Adrian
Barlow, Ms Celia
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Bellingham, Mr. Henry
Bercow, John
Binley, Mr. Brian
Blackman, Liz
Blizzard, Mr. Bob
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brake, Tom
Brown, rh Mr. Nicholas
Browning, Angela
Bryant, Chris
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Chope, Mr. Christopher
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clelland, Mr. David
Cohen, Harry
Connarty, Michael
Cormack, Sir Patrick
Crabb, Mr. Stephen
Cryer, Mrs. Ann
Cummings, John
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, David T.C. *(Monmouth)*
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Djanogly, Mr. Jonathan
Dobson, rh Frank
Donohoe, Mr. Brian H.
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Efford, Clive
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Evans, Mr. Nigel
Fabricant, Michael
Fiello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Fox, Dr. Liam
Francis, Dr. Hywel
Gale, Mr. Roger
George, rh Mr. Bruce
Godsiff, Mr. Roger
Goodman, Helen
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Grieve, Mr. Dominic
Griffith, Nia
Griffiths, Nigel
Gummer, rh Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Patrick
Harper, Mr. Mark
Harris, Mr. Tom
Hayes, Mr. John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hendry, Charles
Heyes, David
Hodgson, Mrs. Sharon
Hollobone, Mr. Philip
Hoon, rh Mr. Geoffrey
Hope, Phil
Horwood, Martin
Howarth, rh Mr. George
Howarth, Mr. Gerald
Howell, John
Hurd, Mr. Nick
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Mr. Stewart
James, Mrs. Siân C.
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeley, Barbara
Keen, Alan
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Ladyman, Dr. Stephen
Laing, Mrs. Eleanor
Laxton, Mr. Bob
Lepper, David
Levitt, Tom
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Mackay, rh Mr. Andrew
Marsden, Mr. Gordon
Mates, rh Mr. Michael
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McKechin, Ann
McKenna, Rosemary
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Moon, Mrs. Madeleine
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Ottaway, Richard
Owen, Albert
Palmer, Dr. Nick
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Pritchard, Mark
Prosser, Gwyn
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, John
Rooney, Mr. Terry
Rosindell, Andrew
Rowen, Paul
Roy, Mr. Frank
Roy, Lindsay
Ruddock, Joan
Russell, Christine
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Snelgrove, Anne
Spellar, rh Mr. John
Spink, Bob
Stanley, rh Sir John
Starkey, Dr. Phyllis
Streeter, Mr. Gary
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Swayne, Mr. Desmond
Swinson, Jo
Tami, Mark
Taylor, Ms Dari
Taylor, Mr. Ian
Taylor, Dr. Richard
Thomas, Mr. Gareth
Tipping, Paddy
Touhig, rh Mr. Don
Turner, Mr. Andrew
Turner, Dr. Desmond
Turner, Mr. Neil
Vara, Mr. Shailesh
Vis, Dr. Rudi
Walter, Mr. Robert
Waltho, Lynda
Watts, Mr. Dave
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Willis, Mr. Phil
Wilshire, Mr. David
Winterton, Ann
Wood, Mike
Woodward, rh Mr. Shaun
Wright, Jeremy
Wyatt, Derek

Tellers for the Ayes:
Dan Norris and Nadine Dorries

NOES

Alexander, Danny
Armstrong, rh Hilary
Baird, Vera
Baker, Norman
Banks, Gordon
Barrett, John
Barron, rh Mr. Kevin
Beith, rh Sir Alan
Berry, Roger
Bradshaw, Mr. Ben
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Browne, rh Des
Bruce, rh Malcolm
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Cawsey, Mr. Ian
Coffey, Ann
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Creagh, Mary
Davey, Mr. Edward
Davies, Mr. Dai
Davies, Philip
Denham, rh Mr. John
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Farron, Tim
Featherstone, Lynne
Fisher, Mark
Fitzpatrick, Jim
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gardiner, Barry
George, Andrew
Gerrard, Mr. Neil
Gibson, Dr. Ian
Goldsworthy, Julia
Greening, Justine
Grogan, Mr. John
Hall, Mr. Mike
Hancock, Mr. Mike
Hanson, rh Mr. David
Harris, Dr. Evan
Harvey, Nick
Healey, rh John
Heath, Mr. David
Hemming, John
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hoey, Kate
Hogg, rh Mr. Douglas
Holmes, Paul
Hopkins, Kelvin
Hosie, Stewart
Howarth, David
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, Simon
Huhne, Chris
Hutton, rh Mr. John
Jones, Lynne
Keeble, Ms Sally
Keen, Ann
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Kidney, Mr. David
Kramer, Susan
Lamb, Norman
Lammy, rh Mr. David
Lancaster, Mr. Mark
Laws, Mr. David
Lazarowicz, Mark
Leech, Mr. John
Leigh, Mr. Edward
MacNeil, Mr. Angus
Mallaber, Judy
Marris, Rob
Martlew, Mr. Eric
Mason, John
May, rh Mrs. Theresa
McGuire, rh Mrs. Anne
McNulty, rh Mr. Tony
Milton, Anne
Mitchell, Mr. Austin
Mole, Chris
Moore, Mr. Michael
Morley, rh Mr. Elliot
Mulholland, Greg
Naysmith, Dr. Doug
Oaten, Mr. Mark
Paterson, Mr. Owen
Pearson, Ian
Pelling, Mr. Andrew
Plaskitt, Mr. James
Primarolo, rh Dawn
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Robertson, Angus
Robinson, Mr. Geoffrey
Russell, Bob
Salter, Martin
Sanders, Mr. Adrian
Selous, Andrew
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Soulsby, Sir Peter
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stunell, Andrew
Taylor, David
Taylor, Matthew
Teather, Sarah
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Twigg, Derek
Tyrie, Mr. Andrew
Ussher, Kitty
Wallace, Mr. Ben
Walley, Joan
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Wills, rh Mr. Michael
Wilson, Phil
Winterton, rh Ms Rosie
Wishart, Pete
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony

Tellers for the Noes:
Dan Rogerson and Sir Robert Smith

Question accordingly agreed to.
Amendment 140 agreed to.

Mr. Gordon Prentice (Pendle) (Lab): On a point of order, Madam Deputy Speaker. My understanding is that we voted on new clause 23 although it had never been moved. Could we vote on my amendments 84 and 85, which were supported by 216 Members of Parliament? I think we should vote on those amendments.

Madam Deputy Speaker (Sylvia Heal): Order. We are governed by a programme motion, and the opportunity to vote on any earlier amendments has now passed.

Dr. Strang: On a point of order, Madam Deputy Speaker. The decision to allow a vote on new clause 23, which was in a group that had not been reached, was of course within your discretion, but can you confirm that it is very unusual for the Speaker to allow that to happen? Given that the issues raised in the new clause are quite different in the context of the additional costs allowance, are you at liberty to explain why you allowed a vote to take place on new clause 23, which had not been reached and had never been discussed?

Madam Deputy Speaker: The Chair does not give reasons for a decision that has been made. I have made a ruling, and that is the end of the matter.

Mr. Hogg: On a point of order, Madam Deputy Speaker, which relates to a completely different matter. You were in the Chair when the Minister made a very important announcement about personal registration. You heard the Minister say that the Government intend to table amendments in the other place. This House has never had an opportunity to consider them, or even to see them in draft. We have not a clue what the Government will do.

Will you, Madam Deputy Speaker, exercise your undoubted discretion to accept a motion without notice to recommit the relevant parts of the Bill to the Standing Committee, so that the Government can table their intended amendments, and the Committee can consider them and report back to the House? That would enable very important amendments to be considered by this place and not, in the first instance, by the other place.

Madam Deputy Speaker: This House passed a programme motion relating to the Bill on 9 February, and we must proceed in accordance with it.

Amendment proposed: 141, page 44, line 24, at end insert—

'(1) Section 70 (effect of default in election agent's appointment) is amended as follows.

(2) In subsection (4)(a), after "the statement as to persons nominated" there is inserted "(or where, in the case of a parliamentary

[Madam Deputy Speaker]

election, the address is not given on that statement, the address as given under rule 6(4) of Schedule 1 to this Act)".

(3) After subsection (6) there is inserted—

"(7) In the case of a parliamentary election, subsection (6) above applies whether or not a statement has been made under rule 6(5) of Schedule 1 to this Act requiring the candidate's home address not to be made public."'.—*(Dr. Julian Lewis.)*

Question put, That the amendment be made.

The House divided: Ayes 213, Noes 153.

Division No. 47] **[9.29 pm**

AYES

Afriyie, Adam
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Austin, John
Bailey, Mr. Adrian
Barlow, Ms Celia
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Bercow, John
Binley, Mr. Brian
Blackman, Liz
Blizzard, Mr. Bob
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brake, Tom
Brown, rh Mr. Nicholas
Browning, Angela
Bryant, Chris
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Chope, Mr. Christopher
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clelland, Mr. David
Cohen, Harry
Connarty, Michael
Crabb, Mr. Stephen
Cryer, Mrs. Ann
Cummings, John
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, David T.C. *(Monmouth)*
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Djanogly, Mr. Jonathan
Dobson, rh Frank
Donohoe, Mr. Brian H.
Dunne, Mr. Philip
Efford, Clive
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Evans, Mr. Nigel
Fabricant, Michael
Flello, Mr. Robert
Flynn, Paul
Francis, Dr. Hywel
George, rh Mr. Bruce
Godsiff, Mr. Roger
Goodman, Helen
Goodwill, Mr. Robert
Gray, Mr. James
Grieve, Mr. Dominic
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Patrick
Harman, rh Ms Harriet
Harper, Mr. Mark
Harris, Mr. Tom
Hayes, Mr. John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hendry, Charles
Heyes, David
Hodgson, Mrs. Sharon
Hollobone, Mr. Philip
Hoon, rh Mr. Geoffrey
Hope, Phil
Horwood, Martin
Howarth, rh Mr. George
Howell, John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Mr. Stewart
James, Mrs. Siân C.
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. David
Jones, Helen
Jones, Mr. Kevan
Joyce, Mr. Eric
Keeley, Barbara
Keen, Alan
Keen, Ann
Kennedy, rh Jane
Kilfoyle, Mr. Peter
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laing, Mrs. Eleanor
Laxton, Mr. Bob
Lepper, David
Levitt, Tom
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Mackay, rh Mr. Andrew
Marsden, Mr. Gordon
Martlew, Mr. Eric
Mates, rh Mr. Michael
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McKechin, Ann
McKenna, Rosemary
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Moon, Mrs. Madeleine
Morgan, Julie
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Ottaway, Richard
Owen, Albert
Palmer, Dr. Nick
Pope, Mr. Greg
Prentice, Mr. Gordon
Prescott, rh Mr. John
Pritchard, Mark
Prosser, Gwyn
Purchase, Mr. Ken
Reed, Mr. Andy
Reid, rh John
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, John
Rooney, Mr. Terry
Rosindell, Andrew
Rowen, Paul
Roy, Mr. Frank
Roy, Lindsay
Ruddock, Joan
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Snelgrove, Anne
Spellar, rh Mr. John
Spink, Bob
Stanley, rh Sir John
Starkey, Dr. Phyllis
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Swayne, Mr. Desmond
Swinson, Jo
Tami, Mark
Taylor, Ms Dari
Taylor, Dr. Richard
Thomas, Mr. Gareth
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Turner, Mr. Andrew
Turner, Dr. Desmond
Turner, Mr. Neil
Vara, Mr. Shailesh
Vis, Dr. Rudi
Walter, Mr. Robert
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Willis, Mr. Phil
Wilshire, Mr. David
Winterton, Ann
Wood, Mike
Woodward, rh Mr. Shaun
Wright, Jeremy
Wyatt, Derek

Tellers for the Ayes:
Nadine Dorries and Dan Norris

NOES

Alexander, Danny
Armstrong, rh Hilary
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barrett, John
Barron, rh Mr. Kevin
Beith, rh Sir Alan
Berry, Roger
Bradshaw, Mr. Ben
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Browne, rh Des
Bruce, rh Malcolm
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Cawsey, Mr. Ian
Coffey, Ann
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Creagh, Mary
Davey, Mr. Edward
Davies, Mr. Dai
Davies, Philip

Denham, rh Mr. John
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Farron, Tim
Featherstone, Lynne
Fisher, Mark
Fitzpatrick, Jim
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gardiner, Barry
George, Andrew
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gidley, Sandra
Goldsworthy, Julia
Greening, Justine
Gummer, rh Mr. John
Hall, Mr. Mike
Hancock, Mr. Mike
Hanson, rh Mr. David
Harris, Dr. Evan
Harvey, Nick
Healey, rh John
Heath, Mr. David
Hemming, John
Heppell, Mr. John
Hesford, Stephen
Hill, rh Keith
Hoey, Kate
Hogg, rh Mr. Douglas
Holmes, Paul
Hopkins, Kelvin
Hosie, Stewart
Howarth, David
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, Simon
Huhne, Chris
Jones, Lynne
Keeble, Ms Sally
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Khan, Mr. Sadiq
Kidney, Mr. David
Kramer, Susan
Lamb, Norman
Lammy, rh Mr. David
Lancaster, Mr. Mark
Laws, Mr. David
Lazarowicz, Mark
Leech, Mr. John
MacNeil, Mr. Angus
Mallaber, Judy
Marris, Rob
Mason, John
Maude, rh Mr. Francis
McLoughlin, rh Mr. Patrick
McNulty, rh Mr. Tony
Milton, Anne
Mitchell, Mr. Andrew
Mole, Chris
Moore, Mr. Michael
Morley, rh Mr. Elliot
Mulholland, Greg
Oaten, Mr. Mark
Paterson, Mr. Owen
Pearson, Ian
Pelling, Mr. Andrew
Plaskitt, Mr. James
Primarolo, rh Dawn
Pugh, Dr. John
Randall, Mr. John
Raynsford, rh Mr. Nick
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robertson, Angus
Robinson, Mr. Geoffrey
Russell, Bob
Salter, Martin
Sanders, Mr. Adrian
Selous, Andrew
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Soulsby, Sir Peter
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stunell, Andrew
Taylor, David
Taylor, Matthew
Teather, Sarah
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Todd, Mr. Mark
Truswell, Mr. Paul
Twigg, Derek
Tyrie, Mr. Andrew
Ussher, Kitty
Wallace, Mr. Ben
Walley, Joan
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Wills, rh Mr. Michael
Wilson, Phil
Winterton, rh Ms Rosie
Wishart, Pete
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony

Tellers for the Noes:
Dan Rogerson and Sir Robert Smith

Question accordingly agreed to.
Amendment 141 agreed to.

Pete Wishart: On a point of order, Mr. Deputy Speaker. In an extraordinary precedent, a Division has been allowed on new clause 23, although it has not been considered or properly debated. My new clause 18 is also in that category. Given that precedent, may we have a Division on the important issue of returning powers over the Scottish Parliament's electoral systems to the Scottish Parliament? I ask that we be allowed to put that to the vote.

Mr. Hogg: Further to that point of order, Mr. Deputy Speaker. Without in any sense wishing to question the discretion of the Chair, may I say that I am profoundly uncomfortable with the idea of voting on a matter that the House has had no opportunity of discussing?

David Howarth: Further to that point of order, Mr. Deputy Speaker. I, too, am disturbed by what has happened, but given what Madam Deputy Speaker said about amendment 84, which the hon. Member for Pendle (Mr. Prentice) tried to raise—that it could not be voted on because it fell at 7 o'clock—I cannot see why new clause 18, tabled by the Scottish nationalists, should not now be voted on.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I cannot add a great deal to the ruling that has already been given from the Chair. We are operating under a programme motion, and the Chair determines which amendments can be taken. Rulings have been made, to which I shall add by saying that I am unable to accept for Division the new clause tabled by the hon. Member for Perth and North Perthshire (Pete Wishart).

Amendment made: 142, page 44, line 24 at end insert—

'(1) Schedule 1 (parliamentary elections rules) is amended as follows.

(2) In rule 6 (nomination of candidates), in paragraph (2)(a) after "names," there is inserted "and".

(3) In rule 14A (correction of minor errors)—

(a) in paragraph (1), after "nomination paper" there is inserted "or home address form";

(b) in paragraph (2), after sub-paragraph (b) there is inserted—

"(c) in the home address form, errors as to the information mentioned in rule 6(5)(b)."

(4) In the Appendix of forms, in the Form of nomination paper, in the first table following the words "candidate at the said election", the final column (home address) is omitted."'.—*(Dr. Julian Lewis.)*

Schedule 5

REPEALS

Amendment made: 143, page 47, line 14 at end insert—

'In Schedule 1—.

(a) in rule 6, sub-paragraph (b) of paragraph (2);

(b) in the Appendix of forms, in the Form of nomination paper, in the first table following the words "candidate at the said election", the final column.'.—*(Dr. Julian Lewis)*

Clause 23

COMMENCEMENT

Amendments made: 120, in page 14, line 31 [Clause 23], leave out subsection (3).

Amendment 39, page 14, line 39 leave out paragraph (c) and insert—

'(c) section 12,'.—*(Mr. Wills.)*

Schedule 4

MINOR AND CONSEQUENTIAL AMENDMENTS

Amendments made: Amendment 40, in page 44, line 24 at end insert—

'3A In section 76A (power to vary provisions about election expenses), after paragraph (d) of subsection (2) there is inserted—

"(e) section 76ZA(2) above.",—

Amendment 41, in page 44, line 24 at end insert—

'3B In section 90ZA (meaning of "election expenses"), for subsection (5) there is substituted—

"(5) A reference in this Part of this Act to a candidate at an election, in relation to election expenses, includes (where the context allows) a reference to a person who becomes a candidate at the election after the expenses are incurred.".

Amendment 29, in page 45, line 39 at end insert—

' In section 149 (inspection of Commission's registers etc), in subsection (1), after paragraph (d) there is inserted—

"(e) paragraph 19 of Schedule 7".'.—*(Mr. Wills.)*

Schedule 5

REPEALS

Amendments made 42, in page 47, line 12 at end insert—

'In section 76A(2), the word "or" at the end of paragraph (c).'.

Amendment 43, in page 47 leave out lines 13 and 14.

Amendment 30, in page 47, line 18 at end insert—

'In section 149(1), the word "or" at the end of paragraph (c).'.—*(Mr. Wills.)*

Mr. Deputy Speaker: We now come to Third Reading. I call Jack Straw.

Mr. Heath: On a point of order, Mr. Deputy Speaker. We have been experimenting this evening with a procedure that is unfamiliar to almost anyone in the House or outside, but, once a new clause has been given a Second Reading, is it not normal for it to be added to the Bill and for the opportunity for a Division to be taken? Given that we are now on Third Reading, has that procedure been followed?

Mr. Deputy Speaker: Not after 9 o'clock, when the timetable has come into effect. I understand that there is some concern in the House, although the procedures that have been followed are usual in every way if one looks at the terms of the programme motion that the House adopted. Sometimes, hon. Members may be surprised, if not disappointed.

Mr. John Gummer (Suffolk, Coastal) (Con): Further to that point of order, Mr. Deputy Speaker. I wonder whether it is possible to say whether the Speaker could be a little more open about decisions when they are surprising and unusual. [HON. MEMBERS: "Oh!"] Let me use a different word. Would it be possible for the Deputy Speaker to explain more clearly why a decision is made when that decision is somewhat unusual?

Mr. Deputy Speaker: The right hon. Gentleman is experienced enough to know that the Chair does not give reasons for the decision, and that has always been the traditional position of the Chair.

Simon Hughes: Further to that point of order, Mr. Deputy Speaker. On the matter of the new clause that was moved earlier—*[Interruption.]* It was voted on without being moved, but we had only one vote. Would you be kind enough to look at page 623 of "Erskine May"? It says very clearly:

"The last question proposed by the Speaker is, 'That the clause (or the clause as amended) be added to the bill'".

May I also draw your attention to the fact that there have been two programme motions—on 20 October last year and 9 February this year—neither of which changed that ruling in "Erskine May" or the Standing Orders? May I ask you for your considered ruling, or that of Mr. Speaker tomorrow, that might determine that we have voted on the first part of a procedure that could have added a new clause to the Bill but not on the second part and therefore that that new clause has not been added to the Bill?

Mr. Deputy Speaker: I can give the hon. Gentleman a ruling straight away. What has happened is entirely clear. Once the knife has fallen at 9 o'clock, a single question is all that is required. That is the procedure, which the House has followed.

Mr. Heath: Further to that point of order, Mr. Deputy Speaker. *[Interruption.]* I am sorry to weary the House with this boring bit of procedure, which involves whether we debate a matter before it is added to a Bill, but does not that procedure specify that it relates to all Government amendments and new clauses, and was this not a Back Bencher's amendment or new clause, which is quite different?

Mr. Deputy Speaker: There is a distinction between the amendments and new clauses proposed by the Government and all other amendments. Again, the programme specifies what is to happen. If the hon. Gentleman looks at that, it will be quite clear. I am not without advice on this, but nothing has happened this evening that is in any way different, as far as I am aware, from any previous occasion. We have followed the terms of the programme motion, which is not, in itself, essentially different from many of the programme motions that have come before the House.

Simon Hughes: Further to that point of order, Mr. Deputy Speaker. I want to proceed only because it is fundamentally important that the House decides collectively the rules that we apply to Back Benchers and Opposition Members and new clauses. I asked earlier whether anyone could cite a precedent for a debate and a decision to add a new clause that had not been discussed on Report, and I am told that there is no precedent—certainly, nothing that anyone can cite to me. I have looked at the Standing Orders. I have looked in the programme motions that govern the Bill. Is it not normally the case that, where those things are silent, the Speaker or the acting Speaker in the Chair rules in favour of the existing procedure, not a new procedure? May I ask you and your colleagues to reflect between now and tomorrow on whether we have unwittingly broken the rules and whether we can therefore ensure that the new clause introduced by the hon. Member for

New Forest, East (Dr. Lewis), but not moved, has an opportunity for debate during later proceedings?

Mr. Deputy Speaker: I should first say that the term "acting Speaker" is certainly not in the Standing Orders.

Standing Order 83E(2)(c) speaks of

"The question on any amendment, new clause or new schedule selected by the Speaker for separate decision".

That is clear. Subsection (3) states:

"On a motion made for a new clause or a new schedule, the Speaker shall put only the question that the clause or schedule be added to the bill."

I do not believe that there is any further scope for argument about that matter; otherwise, I would tell the hon. Gentleman—*[Interruption.]* I have told him—I have done so on advice—that no breach in procedure has occurred during this evening's proceedings. I hope that he will accept that ruling from the Chair and not ask further questions. If he seeks to challenge what has been said, I suggest he write a letter to Mr. Speaker, but I do not believe that anything incorrect has taken place at any stage this evening.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Further to that point of order, Mr. Deputy Speaker. You were correct in saying that the decision taken is that the new clause be added to the Bill if that is moved, but it was not in my hearing that any hon. Member anywhere in the House moved that that new clause be added to the Bill. I do not think that it was in the Clerk's hearing, but I am sure that you will be advised if it was. I do not think that it was in the hearing of the Deputy Speaker who was in the Chair at the time. I never heard those words used. I do not know whether anyone did.

Mr. Deputy Speaker: Again, as far as my advice goes—I was not in the Chair at that moment—the hon. Member for New Forest, East (Dr. Lewis) moved the Question on the new clause, on which the House voted.

Dr. Julian Lewis: On a separate point of order, Mr. Deputy Speaker. Is there any way in which, within the rules, I can place on the record the fact that although both the Government and the Opposition treated this free vote as a free vote, the Liberal Democrats whipped all their Members to vote one way?

Mr. Deputy Speaker: Order. I do not think that is a matter on which the hon. Gentleman—or, indeed, the House—should want me to rule. I think it is absolutely clear that there was a vote on Dr. Lewis's new clause, which the Chair accepted. It was a single vote, and I do not think anyone could have been in any doubt about what was happening at that time. *[Interruption.]* I have given my advice to the hon. Member for North Southwark and Bermondsey (Simon Hughes). He is an experienced Member of the House, and if he is disputing what has happened this evening I suggest he write to Mr. Speaker, because there is now very little time left for the Secretary of State to move Third Reading, which I now call on him to do.

Third Reading

9.51 pm

Mr. Straw: I beg to move, That the Bill be now read the Third time.

In the short time available to me, I wish to place on record my thanks to all those on both sides of the House who have worked to make this Bill better. It began its journey as a set of proposals in a White Paper, which I brought before the House in June last year. It was introduced on 17 July, and there was then a three-month period over the summer break for Members to consider it. Its Second Reading was on 20 October, it moved upstairs into Committee in November and it has been back on the Floor of the House on two days—in February and now in early March.

The Bill is now different from the Bill that was published on First Reading, and it has, in our judgment, been improved. One of the reasons why we have had to take time over it, and in some cases introduce amendments at quite a late stage, is that we have been listening with great care to representations made on both sides. We have sought wherever we can to improve the Bill, and I believe that it has been improved.

The provenance of the Bill goes back to the establishment of the Hayden Phillips inquiry more than three years ago. That time scale is similar to that of the original Political Parties, Elections and Referendums Act 2000. The reason why that Act and this Bill have taken so much time is twofold. First, party funding is inherently complicated—we have just had a little introduction to that. Secondly, and more importantly, from whatever perspective Members may start debating—and it can sometimes be very partisan—they have in general been careful to recognise the importance of not seeking partisan advantage in the regime for party funding and elections. That was certainly the approach I took in 1999 and 2000 in respect of what became the 2000 Act, and I have taken the same approach on this occasion.

In the Bill, we have achieved major reform of the Electoral Commission and important reforms in respect of donations and expenditure, including by establishing an upgraded regime for unincorporated associations. We have also achieved significant advances in respect of electoral registration.

Pete Wishart: Does the Secretary of State not agree that what we are passing tonight is nothing other than a complete mouse of a Bill? All the public's concerns about cuts in political donations and about trade union funding have been totally ignored. Should we not be ashamed of ourselves tonight for passing such a timid Bill?

Mr. Straw: That was not an intervention about Third Reading; it was merely a rant, and we shall leave it at that.

On electoral registration, I repeat the point made by the Minister of State, Ministry of Justice, my right hon. Friend the Member for North Swindon (Mr. Wills). I appreciate the concern that there will not have been a chance to discuss the new clauses on registration in this place. I shall therefore make two commitments. First, we shall use our best endeavours to have them discussed informally in draft with the parties before they go to the

[Mr. Straw]

other place and, secondly, we shall use our best endeavours with the usual channels to ensure that there is adequate time to discuss them when they return. With that, I commend that the Bill be read the Third time.

9.55 pm

Mr. Francis Maude (Horsham) (Con): Tonight's episode has been a pretty unseemly end to what I believe the Justice Secretary will admit has not been a particularly glorious legislative process that the Bill has gone through in this House. The Bill started life in autumn last year as a thoroughly partisan measure designed to achieve—let us face it—political advantage. The policy goals were exceptionally poorly thought through, leaving the unfortunate parliamentary draftsman an impossible task. The main provisions attracted significant criticism from all sides; the Electoral Commission pointed out that a number went well beyond what it had sought and that other provisions provided no benefit and had a significant downside. All the political parties, including his own, attacked several of the Bill's original provisions.

The storm of obloquy that the Bill attracted prompted the Secretary of State to return, belatedly, to the path of discussion and common sense, even if consensus was not achieved in all matters. The requirement to verify the source of donations was sensibly dropped, the powers for the Electoral Commission were sensibly trimmed back and the thoroughly partisan proposal to reintroduce triggering was dropped; the Bill is completely different from what was introduced in the autumn of last year. This has been achieved much less by dint of having full and open debate in the Commons—in this House and in Committee—because of the rigidity of the programme motion that was introduced, which allowed very little scope for the sort of matters that my hon. Friend the Member for New Forest, East (Dr. Lewis) raised this evening and has led to what most of the House would recognise to have been a fairly unseemly process.

The Bill is a massive missed opportunity to deal with the big donor culture by having a genuine across-the-board cap on donations.

David Howarth *rose—*

Mr. Maude: I do not have time to give way. The Liberal Democrats have occupied enough air time tonight and I am certainly not going to give them any more.

There was a real opportunity to put together a cap that would have applied to all donations, including those to political parties from trade union affiliation fees. At some stage these issues will need to be addressed thoroughly. Every effort should be made at all times to seek consensus on these matters.

I am glad that at the eleventh hour the Government have, at last, agreed to move ahead with individual voter registration, albeit in what still seems to be a lamentably leisurely time scale. They committed to the principle of individual voter registration many years ago, but a bit like St. Augustine, they seem to be saying, "Make me chaste, but not yet." Some Labour Back Benchers seemed to be suggesting that this process, which is scheduled not to be completed until 2015, should be allowed to run yet further, but that is quite wrong. We approve of the decision to go ahead, and we believe that what is sought can be accomplished earlier than that. We believe that it could be accomplished by 2013, and there is support even from the Electoral Commission for that. It would be our intention that that should be achieved.

Much progress has been made, not all of it willingly, especially in the early stages by the Government, and because the Bill is now such a very different—

10 pm

Debate interrupted (Programme Order, 9 February).

The Deputy Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83E). That the Bill be now read the Third time.

The House divided: Ayes 273, Noes 67.

Division No. 48] **[10 pm**

AYES

Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clelland, Mr. David
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael (Worcester)
Foster, Michael Jabez (Hastings and Rye)
Francis, Dr. Hywel
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick

Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Iranca-Davies, Huw
James, Mrs. Siân C.
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mallaber, Judy
Mann, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morgan, Julie
Morley, rh Mr. Elliot
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Usher, Kitty
Vis, Dr. Rudi
Wakeley, Joan
Walley, Ms Joan
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Steve McCabe and Helen Jones

NOES

Alexander, Danny
Baker, Norman
Barnett, John
Beith, rh Sir Alan
Brake, Tom
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Davey, Mr. Edward
Davies, Mr. Dai
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
George, Andrew
Gidley, Sandra
Goldsworthy, Julia
Hancock, Mr. Mike
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Hemming, John
Holmes, Paul
Horwood, Martin
Hosie, Stewart
Howarth, David
Hughes, Simon
Hulme, Chris
Kaleth, Mr. Paul
Kennedy, rh Mr. Charles
Kramer, Susan
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
MacNeil, Mr. Angus
Mason, John
Moore, Mr. Michael
Mulholland, Greg
Oaten, Mr. Mark
Öpik, Lembit
Pelling, Mr. Andrew
Pugh, Dr. John
Reid, Mr. Alan
Rennie, Willie
Robertson, Angus
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Stunell, Andrew
Swinson, Jo
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Webb, Steve
Weir, Mr. Mike
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wishart, Pete

Tellers for the Noes:
Sir Robert Smith and Dan Rogerson

Question accordingly agreed to.

Bill read the Third time and passed.

Business without Debate

GUIDE TO THE RULES RELATING TO THE CONDUCT OF MEMBERS (NO. 2)

Ordered,

That, for the purposes of the Guide to the Rules for the Conduct of Members, which was agreed to by this House on 9 February (Annex to House of Commons Paper No. 208), the threshold relating to any requirement for hon. Members

(a) to report donations or loans which have been refused or returned because they are impermissible or from unidentified sources; and

(b) to keep a record of interests which fall below the threshold for registration

shall be the statutory threshold for the time being applying to the reporting to the Electoral Commission, or recording of such donations and loans, by hon. Members.—*(Mr. Watts.)*

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Alan Haselhurst): With the leave of the House, we shall take motions 3 to 6 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

Representation of the People

That the draft Representation of the People (Amendment) Regulations 2009, which were laid before this House on 26 January, be approved.

That the draft European Parliamentary Elections (Franchise of Relevant Citizens of the Union) (Amendment) Regulations 2009, which were laid before this House on 28 January, be approved.

Government Resources and Accounts

That the draft Government Resources and Accounts Act 2000 (Audit of Non-profitmaking Companies) Order 2009, which was laid before this House on 27 January, be approved.

Immigration

That the draft Immigration and Nationality (Fees) (Amendment) Order 2009, which was laid before this House on 21 January, be approved.—*(Mr. Watts.)*

Question agreed to.

BUSINESS OF THE HOUSE

Motion made,

That, at the sitting on Tuesday 3 March, the Speaker shall put the Questions necessary to dispose of proceedings on:

(a) the Motions in the name of Ms Harriet Harman relating to membership of Regional Select Committees not later than one and a half hours after the commencement of proceedings on the first such Motion; and

(b) the Motions in the name of Ms Harriet Harman relating to Green Book (Committee on Members' Allowances), Liaison Committee (Membership) and Pay for Chairmen of Select Committees not later than one and a half hours after the commencement of proceedings on the first such Motion;

such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved; proceedings may continue after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.—*(Mr. Watts.)*

Hon. Members: Object.

ADMINISTRATION

Ordered,

That Mr John Randall be discharged from the Administration Committee and Michael Fabricant be added.—*(Rosemary McKenna, on behalf of the Committee of Selection.)*

PETITIONS

Council Housing (Portsmouth)

10.12 pm

Mr. Mike Hancock (Portsmouth, South) (LD): It gives me a great deal of pleasure to submit this petition, although I do so with somewhat disappointed feelings, on behalf of the council tenants in the Portsmouth city council area. They are disappointed that the Government continue to take many millions of pounds from them; the Government have taken £8.7 million, including £4.6 million this financial year, from the rents of the city council tenants for general Government expenditure. The tenants hope that the House will urge the Government to reverse that trend and take account of not only the campaign by Portsmouth city council tenants, but that of tenants throughout the country of England; the other parts of the UK are covered by separate legislation on this point.

The petition is submitted in the names of Mr. Stothard, Ms Jacqui Reardon, Ms Shai Hancock-Richardson and Olivia Cowburn. I am proud to present this petition.

Following is the full text of the petition:

[The Humble Petition of Portsmouth City council Tenants, and others,

Sheweth that the Government has taken £8.7 million including £4.6 million this financial year from the rents of Portsmouth City council tenants for general Government expenditure; and declares that this will continue for the next 30 years at an estimated cost of £500 million,

Wherefore your Petitioners pray that your Honourable House will urge the Government to revise this trend so that the rent from Portsmouth City council tenants is spent directly for their benefit,

And your Petitioners, as in duty bound, will ever pray, &c.]

[P000320]

State Pension

10.14 pm

Kelvin Hopkins (Luton, North) (Lab): It gives me great pleasure to present a public petition on behalf of retired members of Unison's south-east region branch, of pensioners and of others. As a former employee of Unison and co-chair of the Unison group of MPs, I clearly have an interest. However, I absolutely believe in what the petition is saying and have said so in this Chamber before now.

The petition states:

The Petition of the Retired Members Committee of the South East Region branch of Unison, pensioners, and others,

Declares that the 2008 basic state pension was set at £90.70 per week, while the official poverty level was set at £134 per week; further declares that if the state pension link to average earnings had not been broken by Margaret Thatcher's Government, the state pension would stand at £139 per week; notes that pensioners receive only a 25 pence per week increase in their pension when they reach the age of eighty; further notes that the National Insurance Fund has a surplus of £38.5bn; and believes that these statistics speak for themselves.

The Petitioners therefore request that the House of Commons urges the Government to raise the state pension immediately to £139 and to restore the link to average earnings for future increases.

And the Petitioners remain, etc.

[P000321]

Mobile Home Parks

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Watts.)*

10.15 pm

Mr. John Gummer (Suffolk, Coastal) (Con): One of the great privileges of being a Member of Parliament is that, in this the most important debating chamber in the world, one can raise issues that really matter to one's constituents. I have rarely been as angry about a matter as I am about this case.

Two of my constituents, Mr. and Mrs. Ellis, have suffered the awful indignity of Mr. Ellis having had three strokes. He is therefore unable easily to look after himself and has to be looked after day and night. They decided that it would be a good thing if they had a mobile home that was easy for them to deal with. They went to a country park in my constituency, Carlton Meres, which was run extremely well by a charming couple, and they bought a mobile home at a cost of £28,280, on condition that there would be a proper path to the home and a proper ramp for Mr. Ellis's wheelchair to be pushed along so that he could use the home. Without those, there was no possibility of its being used. I have here the sales purchase agreement that was made, at the bottom of which it says: "Ramp to be provided". The ramp was not provided.

A couple of months later, the couple were told that the ownership of the park had changed. The ramp had still not been provided. By the time it came to October—they having bought the home in March and hardly having been able to enter it, let alone use it—they decided that they would sell it. Under their original agreement, it was said that they would certainly be able to sell it at a proper price. Indeed, late in October, the salesman told them that the selling price should be more or less what they paid for it because it was new and had not been used. In the event, they were provided with a sum so derisory that it is almost impossible to repeat it—having paid £28,280, a few months later they were given £8,000.

When the couple complained, the solicitor for the company, one Mr. Johar of Leicester, said that the reason for that reduced sum was that the ownership of the company had changed and they did not have an agreement with the new owners. When they wrote to me with the document, an eagle-eyed assistant of mine noticed that the name of the company from which they had purchased in the first place was the same as that of those owners. True, the directors had changed, but the company was the same company, so under the law it was responsible for everything that the previous company had agreed to.

I got in touch with the company and said this seemed to me an entirely unacceptable proposition. It did not answer any letters—that, of course, is the convenient way in which these people behave—so I looked it up and discovered that it already had a history of taking over perfectly well-run sites and then behaving in this appalling manner. I shall give one example: the Riverview and Silver Sands caravan sites in Scotland, about which the list of complaints continues. The owner appears to be a Mr. Barney, who appears on all occasions calling himself Tony and, of course, never giving his full name. It turned out that he told all the owners of the static holiday caravans that they would be required to remove them at the end of the season because he would be replacing them with residential homes. He was told by park residents and the holiday caravan owners that the site licence did not allow for that, but he made light of that, saying that it would not be a problem. He was very upset when they identified him because he is known in the business. If one looks up his directorships, one finds a whole list of caravan sites where that kind of activity continues.

Mr. Jim Devine (Livingston) (Lab): The right hon. Gentleman is articulating concerns of mine. I wonder whether, by any chance, the same individual is in charge of Welch Homes, which is my constituency. If someone buys a place there, they have to be interviewed, they have to be over 50 and they have to have no children. If they then sell their place, they have to pay 10 per cent. back to the company.

Mr. Gummer: I have a whole list of the places that this man has a connection with, many of which have gone into receivership, have closed or are no longer available as sites. I do not know whether that is one, but he seems to be a pretty universal figure, because there have been some very serious attacks on him in Cheshire, Suffolk and Morayshire.

Mr. Andrew Turner (Isle of Wight) (Con): In the Isle of Wight, constituents have come to me concerned that owners of Medina mobile home park are abusing their position and ignoring current laws. Mr. Sines and Mr. Crickmore are driving out owners of older mobile homes so that they can build new homes on the plot. They even vetoed the owners selling their property, and then offered to purchase the property for a much-reduced price. That is wrong; it must be corrected.

Mr. Gummer: I agree with my hon. Friend. The people affected are very often those least able to look after themselves. My constituents made the mistake of accepting the £8,000 because they did not know what else to do. Since then, they appealed to the Financial Ombudsman Service, which unfortunately said that

"Carlton Meres Country Park is not covered by this scheme."

Suffolk Coastal district council—an excellent council—has done its best, but has to say:

"Unfortunately the matters raised are not something that we can use in relation to enforcement."

It would love to, but it cannot because

"The legislation and guidance is specific about what matters can be controlled by licence conditions. The arrangements between individual pitch owners and the site owner are outside of our remit."

My problem is that the people involved are very vulnerable and they often wish to have a mobile home because they have limited sums of money—very limited capital. My constituent, Mrs. Ellis, is trying to handle the problems caused by having a husband with three strokes. Mr. and Mrs. Ellis have had £20,000 stolen by an organisation that has absolutely no concern for them at all. I wrote to the solicitor—I hope that the Law Society will look at the nature of some of the solicitors who are members of its society—and he refused to treat me as a Member of Parliament. He constantly talked about my constituents as my clients in order to suggest that somehow or other, they should go to court about

[Mr. Gummer]

the matter. The fundamental issue is this: of course they cannot go to court; they cannot afford to go to court. Mr. Barney has taken from them what money they had and left them in circumstances such that they are already extremely endangered. Their lifestyle very much diminished, they are now poor, because their life's savings have been taken from them.

I have rarely received such insulting letters—all of us who have been Members of Parliament for any length of time receive pretty insulting letters from time to time—as those that I have received from Mr. and Mrs. Barney, who run the operation, and their agents. I am sorry that the Minister should be the one dealing with this matter, because I know him to be a kind-hearted and decent man, but how would he feel if his constituents wrote to him to say the following?

"Since writing to you on 24.3.2008"—

I have been writing to the people concerned and trying to get some answers from them since then, so you can see how long the process has taken, Mr. Deputy Speaker—

"including copies of letters I sent to Golam, the new Salesman…I have received a most hostile and angry phone call from Golam this evening, shouting at me that we have had £8,000 and they do not intend to recompense any more. They insist that they were not the owners of the home when we purchased it."

That is a lie. Mr. and Mrs. Barney bought the company. They took on the goodwill—and in this case it was real good will—and they took on the responsibilities as well. However, my constituents clearly do not understand that, nor can they be expected to, because they are not legally trained.

Why is it that in 2009, Mr. and Mrs. Ellis should have no redress? They cannot ask anybody to intervene. In fact, they could have asked somebody to intervene, because the original owners—the directors, before they sold—were members of the National Caravan Council, which has a proper system through which people can appeal. What was the first thing that Mr. Johar and his friends did? It was to resign from the National Caravan Council, so that no appeal, even of a voluntary kind, could take place.

I could go into great detail about the sadness that I feel for my constituents, but I hope that the House has recognised just how serious the matter is. However, after we have discussed this issue, I hope to be able to show, to every lawyer and every estate agent in the area covered by Carlton Meres, the dangers of conveyancing any such home to anybody. Unless there is some protection, people will be left at the mercy of an organisation that does not seem to have a single drop of the milk of human kindness at all. Who in this world could possibly say that it was proper to take £20,000 from an old couple, one of whom is severely disabled, who bought a caravan in March but had to sell it in October because the company failed to do what it promised to do in the first place?

The problem for my constituents is that, being decent people, they thought that if it said, "Ramp to be provided," on the bottom of their sales agreement, that was a legal position—something that they could depend on; something that was reasonable; something that they had a right to expect. But of course, the people who now own Arncliffe Leisure Ltd do not obey any of those natural rules that we in this House would expect everyone, as a matter of ordinary human decency, to accept. What I find so difficult is that this company tells direct lies. It told that couple that it was not the same company, when it was. It told them that it had no duty to carry out the promises made by the company, although it did. It also told them that they were lucky to get the £8,000. In fact, the company was wickedly lucky to get £20,000 profit from the deal that it had done.

In my 30 years as a Member of Parliament for a Suffolk constituency, I have rarely been as angry as I am about this, and about the fact that people can be defrauded in this way, and that there is no proper way of getting any sort of recompense. So I said to the company, "If you will do something about this, when we come to discuss the issues, I would be happy to say that, in the end, you have done your best." I received absolutely no answer other than, "See you in court." That is the only thing that those people are interested in.

Up and down the country, these people are destroying the lives of the most vulnerable people. Whatever our political divisions in the House, most of us came into Parliament to oppose bullying. Deep down, what we dislike most is those who are strong bullying the weak. I am so angry about this because those people are feasting off the fat of the poorest in our community—people who need help but, instead of being given it, are having what they have taken away from them. I do not want to use biblical quotations, but Naboth's vineyard is truly in the same category as this case. I only wish that the kind of biblical justice that was visited in the Old Testament could be visited on those people.

In case I have not made them clear, I should like to remind the House of the names involved. It is important that people should recognise that this is a so-called family organisation. Foolishly enough, it has the name of Lifestyle Living, and it got a prize from a really good man, David Bellamy. I just hope that he will read this and perhaps decide that this is not an organisation with which he wishes, even indirectly, to be associated. Lifestyle Living, Arncliffe Leisure and a dozen other organisations are owned and run by a Mr. A. J. Barney and his wife, Mrs. D. M. Barney, and operated under the close supervision of the solicitors Johar. They are a disgrace to what could be an important part of the provision of housing for people in Britain.

I have no angst about mobile homes. There are a number of excellent ones in my constituency. For example, I would honour Mr. Little, who has run two mobile home parks in the most exemplary way. I do, however, have angst about those who use their position of power, influence and wealth to destroy the lives of others who are unable to stand up for themselves. In that sense, it is a great privilege for me to be able to say to the House that Mr. and Mrs. Ellis should not be in this position, and that the Government should do something about it. They have not done anything about it to date, and I am not asking them to do anything about it retrospectively, but they ought to ensure that no one else is ever tempted to buy any such mobile home from Arncliffe Leisure, or from Mr. Barney, Mrs. Barney or Mr. Johar.

10.35 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): I congratulate the right hon. Member for Suffolk, Coastal

(Mr. Gummer) on securing this debate on park homes. The case that he has outlined is extremely distressing, and I wish Mr. and Mrs. Ellis all the very best. Unfortunately, it is clear from the right hon. Gentleman's contribution and from interventions by the hon. Member for Isle of Wight (Mr. Turner) and my hon. Friend the Member for Livingston (Mr. Devine), that there is a culture of unscrupulous behaviour and bad practice in this sector on the part of site owners.

I think that the House would accept that, as the right hon. Gentleman himself said, that those owners represent a minority of the sector and most sites are managed by professional and competent persons who maintain good professional and sometimes caring relationships with their residents. In support of that view, I am very much aware of the efforts of the trade organisations to secure high standards of performance and behaviour among their members and to promote good practice.

Unfortunately, as the right hon. Gentleman said and as I often see from correspondence I receive directly from residents or through hon. Members, professionalism is not universal in this sector and the standards of management on some sites are clearly woefully inadequate. Moreover, as the right hon. Gentleman said and if what is reported is correct, a few cases that I have read about are criminal—quite literally criminal. Because of their vulnerability, many park home residents—very much like Mr. and Mrs. Ellis—are simply not able to stand up to those owners. As this industry promotes itself as being particularly suitable for the older members of our community, it must cater for their needs as consumers, yet some site owners clearly take advantage of and exploit their residents—precisely because of their vulnerability. The truth is that, in some cases, we have to accept that only enforcement with meaningful penalties—focused and targeted enforcement—is likely to change behaviour or drive the unprofessional operators out of the sector.

Mr. Devine: I know that my hon. Friend will be aware that many of these people are using the Caravan Sites and Control of Development Act 1960 and applying it to mobile homes, but as the right hon. Member for Suffolk, Coastal (Mr. Gummer) said, these are not mobile, but permanent homes. Is it not time that we looked to amend the 1960 Act so that we can cover those individuals?

Mr. Wright: I understand what my hon. Friend is saying and I pay tribute to the fantastic work he is doing in exposing unscrupulous managers of park homes and sites in his own area. I have a great deal of sympathy with what he says, but my difficulty—and the difficulty for the House—is that changing the definition of caravans and mobile homes will, frankly, open up a can of worms for the law on property. The essential concept of mobile homes as dealt with in the 1960 Act is that they are located on someone else's land and permission is given to base them there on the proviso that they are allowed to move them. That is the difficulty. If we addressed that specific point by addressing the specific rights of caravan owners, we would open up a huge range of issues regarding property, which would be counter-productive. I am keen to look further into this, but I must think about the limitations that follow from the complexity of property law. That makes me reluctant to do something that might have unforeseen consequences.

Mr. Gummer: I am not pressing the Minister to change the definition in the legislation. I do not want that, because the legislation enables people to acquire homes that they would not otherwise be able to acquire. I press the Minister to say, however, that if people have mobile homes on a static site—we all know what happens—there should be an application of reasonable rules that would make it possible for people to appeal to somebody. It might be a financial ombudsman or someone else who can take a decision about this sort of issue. That would mean only a very small change in the operation of the law.

Mr. Wright: I absolutely agree with the right hon. Gentleman. He said that it would be useful to have a court of appeal that is less onerous than the county courts. I have a great deal of sympathy with that and I can tell him that I am mindful of helping Mr. and Mrs. Ellis and others in their circumstances in that way.

Where civil disputes arise between residents and site owners, I think the whole House will agree that there needs to be an accessible, cheap and relatively informal means of resolving them. That is why I have consulted on transferring the jurisdiction of county courts under the Mobile Homes Act 1983 to residential property tribunals. My officials are studying the responses we have received to the consultation and I intend to announce the way forward on that proposal shortly. I hope that that gives some comfort to Mr. and Mrs. Ellis and to others.

In the past couple of years, we have made a number of improvements to the framework of the park homes sector. I am a strong advocate of resident empowerment and I firmly believe that the measures we introduced in October 2006, amending the 1983 Act and requiring representative residents' associations to be recognised, go an awfully long way in that direction. They give residents a voice in the management of the sites that they occupy, and I strongly urge park home owners to form associations. I believe that a collective voice can and does achieve results.

Mr. Gummer: There is a technical problem with that as 50 per cent. of the residents are supposed to be involved. What happens? There are often two residents in each of the mobile homes and it is easy to prove that 50 per cent. of residents are not involved, so it is important to introduce a change that enables a reasonable number from those in each unit to be able to form a residents' association with powers under the Act.

Mr. Wright: That is not my understanding, although I can take that point away and look at it. In my constituency, there is a similar site—Elmtree Park—where there are two residents' associations that are equally recognised by the site owner. That can be provided for in the current situation, although I can certainly consider the point made by the right hon. Gentleman and write to him if need be.

The key focus of my response to the right hon. Gentleman's speech is that I am keen to go further to help people such as Mr. and Mrs. Ellis and to help people who live in park homes. I believe that we need to do more to prevent unscrupulous individuals such as Mr. and Mrs. Barney from operating in this sector. Also, where an individual has acted in a criminal manner that is relevant to his fitness to be engaged in the management of a park home site, we need to address it.

[Mr. Iain Wright]

As the right hon. Gentleman said, local authorities are obliged to license park home sites in their areas, but they often have little discretion in that duty and insufficient tools to enforce compliance. If someone wants a licence to station park homes on a site, provided that he or she has planning permission to do so, the authority must issue the licence and give it free of charge, except in very limited circumstances. Once a licence has been granted, it is extremely difficult for an authority to take it away from that person, no matter how unsuitable that person may be. The local authority cannot even require minimum management standards to be applied under the licence it grants.

As we have heard tonight, that is not reasonable. Therefore, I want to consult on introducing a licensing regime that requires managers of park homes and some other caravan sites to be suitable persons and to have the relevant competences to manage that type of accommodation. I want that consultation to seek views on giving local authorities the right tools to be able to enforce their licensing requirements.

We need to ensure that any regulation is light touch, clear and easy to understand. I want to be sure at the consultation stage that it will neither drive good owners out of the market nor discourage other suitable persons from entering it. I am committed to ensuring that we have a vibrant park home sector that meets the needs of its residents, offers a safe and affordable housing option, and encourages investment and good management by decent owners.

A new licensing regime must meet the needs of all, be comprehensive and work in the 21st century housing market. Therefore, I think the right hon. Gentleman will acknowledge that, before we embark on any detailed proposals, we need to consult on those proposals and their impact. I especially want to hear from residents, site owners, and local authorities and their representatives on how we can take matters forward to avoid appalling cases such as that of Mr. and Mrs. Ellis.

I hope that my remarks demonstrate to the House the Government's commitment to ensuring that park homes residents have as much protection as possible. We have in recent years built upon the protections already enshrined in law through the status of mobile homes. We aim to consult on providing a suitable licensing regime that will help to eliminate poor practice and unscrupulous management. Park homes have an opportunity to play a growing role in this country's housing offer over the next few years, and we in government will continue to pledge to work with the industry, local authorities, police and right hon. and hon. Members to fulfil that potential.

10.45 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Tuesday 3 March 2009

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

COMMUNITIES AND LOCAL GOVERNMENT

The Secretary of State was asked—

Building Regulations (Thermal Efficiency)

1. **Andrew Stunell** (Hazel Grove) (LD): What plans she has to improve levels of compliance with the provisions of building regulations on thermal efficiency of houses. [259884]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): Before I reply to the question, let me say that I am very conscious that Ivan Cameron's funeral took place today. I am sure the whole House will wish me to say that our thoughts and prayers are with David and Samantha on what must be a particularly unbearable day.

Our proposals to strengthen the energy efficiency provisions of the building regulations in 2010 will include comprehensive plans to build on previous measures to improve compliance. A number of other initiatives are also under way, including reform of the building control process, extending the powers for prosecution, and simplifying guidance.

Andrew Stunell: I am pleased to hear of the revision of enforcement measures. Does the Minister acknowledge that there is plenty of evidence that, with the development of new technologies and materials, there is an increasing shortfall in the standards of energy efficiency measures applying to new homes? Will he use the problems created by the slump in the building industry as an opportunity to develop an effective enforcement regime and to ensure that there is proper training in the construction industry so that it can deliver the standards that are necessary?

Mr. Wright: I know that the hon. Gentleman takes a particular interest in this subject, and what he has said makes a good deal of sense. We have been working closely with key industry stakeholders in the run-up to a public consultation scheduled for April this year. It is vital for us to try to increase the skills and capability of the industry in order to improve energy efficiency. I agree with the hon. Gentleman that the present circumstances present a huge opportunity for Britain and the British economy to ensure that homes are energy-efficient, and also to help to stimulate the construction industry.

David Wright (Telford) (Lab): Two or three companies in my constituency want to engage in new kinds of house construction, and are keen to discuss with the Minister how new systems of build can be delivered. Will he agree to meet those companies so that we can help them to grow, build new homes and provide new jobs in our local economy?

Mr. Iain Wright: I am aware that my hon. Friend takes a particular interest in housing. I greatly enjoyed the housing summit that he arranged in Telford a couple of weeks ago. He is playing a leading role in trying to secure the housing that is needed there and elsewhere. I should be more than happy to meet him and representatives of construction firms in his constituency to ensure that modern methods of construction are adopted, both in Telford and generally.

Mr. James Gray (North Wiltshire) (Con): I thank the Minister for his kind words to David and Samantha Cameron.

I am sure we all agree with the thrust of this question. Of course we should all like to see an improvement in the thermal efficiency of housing and a reduction in its carbon footprint; no sensible person would not. However, does the Minister agree with me, and with representatives of the Council of Mortgage Lenders with whom I had lunch in the House a short time ago, that a significant brake is being put on the housing market at present by something that he could put right at a stroke—the problem of home information packs?

Mr. Wright: A key aspect of HIPs is the energy performance certificate. At a time when people are concerned about rising fuel bills and the economy in general, up-front information about the energy efficiency of a home is helpful to them. In this day and age we need to provide real help with a range of matters, and the energy efficiency of homes is an important part of that.

David Taylor (North-West Leicestershire) (Lab/Co-op): The manufacture of building materials is a very important industry in my constituency, which is part of a mineral-rich county. Relatively recently, I talked to a manufacturer of chimney linings who suggested that over-zealous implementation of the revised building regulations was leading to the slow death of the British chimney because of its thermal inefficiency. Does the Minister agree that the chimney is important, aesthetically, structurally and in health terms, that we need ventilation, and that we do not want to live in hermetically sealed tombs? Will he agree to discuss the topic with me?

Mr. Wright: I do agree with my hon. Friend. In revising the relevant part of the building regulations, we have tried not only to improve compliance and provide extra training, but to issue more guidance to contractors and others so that they can perform the vital task of ensuring that such things as chimneys are energy-efficient. I should be more than happy to meet him to discuss the matter further.

Paul Rowen (Rochdale) (LD): May I pursue the question asked by the hon. Member for Telford (David Wright)? Has the Minister had any discussions with the Department of Energy and Climate Change about the development of zero-carbon homes? I believe that the current situation would provide an opportunity for pilots to be set up if grants were available. I understand that none is available at present.

Mr. Wright: We are still consulting on the definition of zero carbon, and we are working closely with DECC colleagues. As the hon. Gentleman will know, on 12 February our two Departments launched the heat and energy saving strategy, which is arguably the most ambitious climate change-related initiative in the world. It sets out the Government's ambitious long-term plan to draw up a route map with the aim of enabling all United Kingdom homes to produce near-zero carbon emissions by 2050. I hope that the hon. Gentleman will join us in ensuring that it works, and that we see real energy efficiency in homes.

Mr. Stewart Jackson (Peterborough) (Con): I thank the Minister for his typically decent and kind words of sustenance for David and Samantha Cameron.

Is it not a cheek for Ministers to lecture everyone else when their own modern headquarters at Eland house has one of the worst energy efficiency ratings of any building, with its display energy certificate getting a risible F rating, which is the second lowest? Does that not reinforce the criticism of the Sustainable Development Commission that

"The government's own record looks weak"?

Should not Ministers start to show some leadership and sort out their own backyard first?

Mr. Wright: Eland house was built in the 1990s, I believe by Michael Heseltine, and it is somewhat showing its age—rather like the Opposition Front Bench. We are keen to ensure that we have the most efficient type of buildings available. The energy performance certificate for Eland house can provide information on how we can improve the energy efficiency of the building. I hope that the hon. Gentleman will join me in ensuring that such certificates provide relevant information to improve matters, rather than sitting on the sidelines sniping.

Icelandic Banks (Local Authority Finances)

2. **Paul Farrelly** (Newcastle-under-Lyme) (Lab): What assessment she has made of the effects of the recent performance of Icelandic banks on local authority revenue and reserves in 2009-10. [259885]

The Secretary of State for Communities and Local Government (Hazel Blears): I, too, would like to send my very warmest thoughts to David and Samantha Cameron at this difficult time for them.

We are regulating to ensure that authorities need not make provision in their 2009-10 budgets for possible capital loss on these investments. The regulation will come into force on 31 March and will give local authorities time to be clearer about the effect on their budgets and indeed their council tax. We have worked closely with the Local Government Association on that approach. It has been warmly welcomed on all sides. No authorities at the moment are facing cash-flow problems or an impact on their key services.

Paul Farrelly: I thank my right hon. Friend for that welcome reply. Sadly, Newcastle-under-Lyme borough council invested £2.5 million—more than 5 per cent. of its reserves—in the subsidiary of Landsbanki on 14 September last year, just three weeks before the bank collapsed. In doing so, it ignored the warnings of a previous Conservative cabinet member for finance to avoid Icelandic banks. However, since then it has been saying that it is confident that it will get the money back. Does the Secretary of State agree that it is important that councils are open and honest about the investment decisions they make, and that they should not mislead council tax payers about the losses that they face in such circumstances?

Hazel Blears: Clearly, transparency and openness in relation to financial decisions are essential. Integrity and probity go to the heart of local government. I am not in a position to comment on my hon. Friend's individual council. That would be a matter for the district auditor. Clearly, those issues will be raised. What I will say is that the Government guidance said to local authorities that they need to have regard to both security and liquidity, and that in those investments the rate of return has to be consistent with proper levels of security and liquidity.

Sir Peter Tapsell (Louth and Horncastle) (Con): In the present political situation in Iceland, with whom are negotiations being held and what progress is being made to restore to local authorities, including the district council in my constituency, the substantial losses incurred as a result of having deposits with an Icelandic bank?

Hazel Blears: The Treasury has for some months been in negotiations and extensive talks with the Government in Iceland. The International Monetary Fund has approved a £2.1 billion loan to Iceland to ensure that Iceland can have a sound banking system. Those negotiations will continue. The Local Government Association is also in negotiations on behalf of individual local authorities to ensure that their position is protected.

Sir Nicholas Winterton (Macclesfield) (Con): The Secretary of State will know that the county of Cheshire disappears in just over three weeks and becomes Cheshire East and Cheshire West and Chester. The existing county council had some £8 million invested in Icelandic banks. Is not it inevitable that the new authorities will suffer financially as a result, particularly when account is taken of the £3.5 million that has been paid to chief executives of the current authorities who have not got jobs in the new authority? That will have to be paid for. In Cheshire East, the transition from the old council has not cost £10 million—it has cost £20 million. Is not that going to prove a problem financially for the council tax payers of Cheshire East?

Hazel Blears: I am sure that the hon. Gentleman is aware that the money held with the Icelandic banks is not money that has been lost; it is money that could be at risk. We are pressing extremely hard to make sure that local authorities recover the maximum amount of

money that is due to them, in order to protect council tax payers. He will also know that although the reorganisation in Cheshire may involve some up-front costs, in the longer term it will save people in that area a significant amount and improve services for them.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): My right hon. Friend will be aware that the Select Committee on Communities and Local Government is conducting an inquiry on this issue. We found that many local authorities do not have the necessary internal expertise on these matters, so they commission outside firms. What came as a shock to the Select Committee and the Local Government Association, however, was that in some cases that external help was not advice in the properly understood meaning of the term, but amounted simply to passing on to local authorities information that could have been gained from the internet, such as information about credit rating agencies. Does she agree that the guidance to local authorities should be changed to ensure that all of them have access to proper financial advice, either external or internal, on these matters?

Hazel Blears: I am grateful to my hon. Friend and the Select Committee for conducting the inquiry, and I very much look forward to seeing the report. It is essential that local authorities take proper advice and guidance on making investments. Our national guidance was issued in 2004. Of course, we keep it under review, but it was very clear to local authorities about the need to be conscious of security and liquidity, as well as about trying to get a decent return on their investments. I am delighted that the Committee has conducted the inquiry, and I have no doubt the report will have some lessons for all of us.

Mrs. Caroline Spelman (Meriden) (Con): I will, of course, draw the attention of the Leader of the Opposition to today's *Hansard*, which will contain the very kind comments that have been made in all parts of the House.

Parliamentary questions show that the Financial Services Authority knew in early 2008 that the Icelandic banks were in trouble. It is obliged to warn both the Bank of England and the Treasury of any concerns, so given that Ministers knew that alarm bells were ringing, why was no advice given to local authorities or other investors about the higher risks associated with Icelandic banks? Even the Audit Commission was misled into investing in Iceland. Given that the Secretary of State's Department is responsible for issuing investment guidance to councils, is it not the case that both her Department and the Treasury were asleep on their watch?

Hazel Blears: No, I entirely reject that. Clearly, there has been an issue concerning the behaviour of banks and the investments that have been made in this country and in countries right across the world. The hon. Lady will be aware that Lord Turner, the new chair of the Financial Services Authority, has been asked by the Chancellor to conduct a review of the FSA's approach and to report to him. I entirely reject the allegation that the Department was in some way negligent in its guidance. That guidance in 2004 made it absolutely clear to local authorities that they should look at security and liquidity and make sure that the return they sought was consistent with a very prudent approach.

Town and Country Planning Act 1990 (Section 106 Agreements)

3. **Mr. Lindsay Hoyle** (Chorley) (Lab): What estimate she has made of the sums local authorities have received under agreements under section 106 of the Town and Country Planning Act 1990, which are held in local authority bank accounts. [259886]

The Minister for Housing (Margaret Beckett): Information on moneys collected by local authorities in this way is not held centrally. Government policy is clear that local authorities should not amass significant levels of unspent developer contributions without good reason.

Mr. Hoyle: I might be able to help my right hon. Friend. The Library suggests that about £4 billion of section 106 money is held, and I can say that in my own authority of Chorley, which is a small district authority, almost £9 million in section 106 money is held. As I have mentioned before, we know that there is £3.5 million that can be spent on social housing that is not being spent at present. A new railway station or community centre could be built, as could many other facilities. That would get those in the construction industry back to work, and it would provide the social housing that is needed, as we have an increasing housing waiting list in Chorley. What can my right hon. Friend do to make sure that this money is spent not just in Chorley, but throughout the country, to get us out of this recession now?

Margaret Beckett: I am grateful to my hon. Friend, who I know has a long-standing concern with this issue. I think there is perhaps a slight misunderstanding here, as the figures that the Library will have given him are for the totality of section 106 money across the country, and we understand that about 90 per cent. of that is not cash going to the local authority, so to speak, but direct provision of various agreements and planning obligations, and only some £340 million—although that is still a substantial sum—is available through cash contributions, which must, of course, be used or returned for the appropriate purposes.

I understand completely the point that my hon. Friend makes about wanting to see better use of this money. We give strong guidance to local authorities, and I think he would like to know that, in no small part as a result of his questions on the matter, we have commissioned new research to investigate the use and value of planning obligations for the last full year for which we have data available—2008—and that it will report in the summer. In addition, I have asked my officials to have some research done to understand better the scale and extent of unspent section 106 contributions and to explore the feasibility of pursuing further our work with local authorities to ensure that such money is used for the intended purposes.

Mr. Simon Burns (West Chelmsford) (Con): Does the Minister accept that section 106 money and other incomes that all local authorities have put into bank accounts are being adversely affected by the significant drop in interest rates, which is leaving a significant shortfall in the income that local authorities can spend? Do the Government have any plans to tackle that problem, which is no fault of local authorities?

Margaret Beckett: We are indeed helping local authorities to manage their moneys, with greater investment in authorities and more freedoms and flexibilities, and we are giving what advice and support we can. We have commissioned this research to assess the scale of any problem that there may be because it is our understanding that it is not the norm for local authorities to accumulate moneys in this way—indeed, it would be contrary to our guidance—unless they have some particular long-term infrastructure project for which they are pooling resources. We are anxious to help local authorities maximise the use of their resources.

Mr. John Leech (Manchester, Withington) (LD): The Minister will not be aware that £160,000 of section 106 money from one development has sat in Manchester city council's bank account for possibly up to four years because of the rules and regulations on how it can be spent. Will she commit to simplifying the rules, so that this money can be spent more quickly?

Margaret Beckett: If the hon. Gentleman would like to write to me about the matter, I shall certainly inquire into why such moneys are tied up. As I say, this situation is not the norm, but it is clear that he is aware of some of the issues in his own local authority area. We are encouraging all local authorities to keep and publish records so that local communities can be aware of what resources are available and press to make sure that they are used well.

Julia Goldsworthy (Falmouth and Camborne) (LD): May I, too, associate myself with the remarks that have been made in all parts of the House? I am sure that the whole Cameron family are in everyone's thoughts this afternoon.

The fall in section 106 receipts is having a massive impact on affordable and social housing development locally. Could the problem not at least be tackled in part by freeing up councils to start rebuilding council homes? The Prime Minister indicated at the end of January that local authorities could play an important role in delivering social housing, but rather than just the promise of yet another report, do we not desperately need action to be taken now?

Margaret Beckett: I just say gently to the hon. Lady that we are already consulting on regulations that would allow local councils to do precisely that; of course one must never anticipate the outcome of consultation, but I anticipate that it may well be possible that we can go ahead in the near future.

Robert Neill (Bromley and Chislehurst) (Con): It is five years this month since the Government's own Barker review identified the problems that arise from reliance on the section 106 system and its attendant complexities as a means of driving development. Since then, the Government have added to those complications with measures such as the community infrastructure levy. Against that background and the decline in receipts, to which reference has been made, is it not better to move away from that complicated regime and a system of top-down development targets to one of incentivising local communities and local authorities to accept development by allowing them to keep some of the proceeds that arise to their own tax base from encouraging development?

Margaret Beckett: I think that the hon. Gentleman left out an important development: in the meantime the Government have made available some £8 billion of resources for investment in housing. That is twice as much as the amount that was available in the previous period, which was itself substantial. I think that he was probably referring to the proposals, in so far as one can call them that, in the Conservative party's latest publication of its policies—*[Interruption.]* I accept that it is a very short read. It is perhaps not entirely well-founded in the statistics that it cites, but I am sure that we will be examining it in future in the House.

Homes and Communities Agency

4. **Mr. Desmond Swayne** (New Forest, West) (Con): How much her Department spent on establishing the Homes and Communities Agency. [259887]

The Minister for Housing (Margaret Beckett): The one-off costs of setting up the Homes and Communities Agency will be approximately £20 million over three years.

Mr. Swayne: Ministers have made it clear that the agency will have a key role in carrying forward the eco-towns initiative. In doing so, will it make any concession whatever to democratic accountability?

Margaret Beckett: The eco-towns initiative is under continuing consultation. When proposals are made, which will not be for some little time yet, they will go through the ordinary planning process in the normal way. There has been plenty of consultation so far, and I have no doubt that there will be more in the future.

Mr. Jim Devine (Livingston) (Lab): Will the Homes and Communities Agency have a remit over land maintenance companies? As chair of the all-party group looking at land maintenance and factoring companies, I have been inundated with complaints from all parts of the House about how such companies are treating their customers. That includes companies such as Greenbelt, which this week is using a debt collection agency to take money off my constituents who have refused to pay for an inadequate service. Will that be part of the body's remit?

Margaret Beckett: Part of the main purpose of the agency, and why it was set up to replace the previous bodies, was to facilitate a single conversation that takes into account the range of issues around land, planning, homes construction and so on. I know that it will be concerned about the points that my hon. Friend makes, but if he would like to write to me about the particular issues arising in his constituency, I would be happy to look into them.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): Does the Secretary of State have any plans to alter the system whereby local authorities that own their own housing stock, such as Stroud, part of which I have the honour to represent, are at a considerable disadvantage under

the housing association grant system in comparison with housing associations with regard to the amount of money that they can either reinvest in their housing stock or use to fund future social housing? Does she have any plans to review that system?

Margaret Beckett: Yes; as I said to the hon. Member for Falmouth and Camborne (Julia Goldsworthy), we are consulting at present on changing the regulations that have hitherto disadvantaged local authorities in the same position as his own in benefiting from new housing build, and we also propose to make it possible for them to apply for housing grant.

Sir Patrick Cormack (South Staffordshire) (Con): As the right hon. Lady is sensibly reviewing so many things, will she review the whole eco-towns initiative, which is seen by many of us as expensive gesture politics?

Margaret Beckett: I understand the hon. Gentleman's concern, but let me say two things to him. First, it is beyond question and clearly accepted, including across the House, that there is an unmet and growing demand for housing, because of the growth in the number of households. Secondly, I think it is also common ground across the House that something that must be done to address that demand. If it has to be addressed, surely it is better to seek on the basis of some exemplar programmes to provide new housing that meets the standards that the housing of the future will need to meet if we are to tackle climate change. Incidentally, that will also make those houses much more affordable to run. I understand that Opposition Members have sought to use this issue as a campaigning tool in a number of cases, but I am not sure that that is acting in their constituents' interests in the long term.

Sarah Teather (Brent, East) (LD): When the Minister was establishing the remit of the Homes and Communities Agency, did she consider changing the rules to allow housing associations to apply for money to refurbish or upgrade empty properties? Does she recognise that the current rules are a disincentive for housing associations to buy up empty properties that could be hugely useful for many people already on waiting lists?

Margaret Beckett: I am always willing to look at anything that is considered a disincentive, but I remind the hon. Lady that, as a result of the September package, we made money available to housing associations to buy up new-build empty properties on which they do not need to do any maintenance. Those properties are ready to be occupied now, and associations have now bought almost 6,000 homes to sell or rent.

Grant Shapps (Welwyn Hatfield) (Con): I am grateful to the right hon. Lady for her answer about the set-up costs of the HCA, which will be some £20 million. She is no doubt also aware that the running costs of the HCA in administering itself will be £100 million per annum, but is she aware that the HCA is reported to be in the process of employing 28 press officers? Does she think that that is appropriate in these austere times?

Margaret Beckett: The hon. Gentleman's numbers are out of date. I think that £100 million [illegible] the original prediction for the HCA's running figure is now expected to be more like £86 million—*[Interruption.]* As I am sure the hon. Gentleman will appreciate—judging from the noises off, not all his colleagues do—it is believed that the amalgamation of the agency and English Partnerships, and the new structure of agencies, will result in substantial savings. From memory, I can say that those savings will be some £400 million, which will allow funding for a substantial number of new homes. I have not been scrutinising the detailed staffing arrangements for the agency, and neither do I think that it is necessarily useful for me to do so. However, it is typical of the Opposition to be much more interested in the number of employees, which they think they can criticise, than in the work being done by the agency, which is releasing thousands of new homes for the use of the British public.

Affordable Accommodation (Private Rented Sector)

5. **Rob Marris** (Wolverhampton, South-West) (Lab): What assessment she has made of the role of the private rented sector as a provider of affordable accommodation. [259888]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): Julie Rugg's review of the private rented sector, which the Government commissioned last year, includes an assessment of how well the sector caters for those on low incomes and in housing need. The review reported in October last year. We are currently considering its findings, including proposals for improvements in the sector and for how we can best provide affordable accommodation.

Rob Marris: The private rented sector certainly has a role to play in providing affordable accommodation. However, may I urge my hon. Friend not to rely wholly on the private rented sector, but instead to launch a mass programme of council house building to provide affordable housing and jobs for construction workers?

Mr. Iain Wright: My hon. Friend makes a valuable point. As my right hon. Friend the Secretary of State said in a previous answer, we are putting in place consultation to ensure that councils have a direct delivery role in the building of homes. The Prime Minister said in a speech last month that he is very keen to see local authorities build quickly and wants any barriers to be removed quickly. In the current economic situation local authorities have a direct delivery role to play, as well as a major role alongside registered social landlords and the private rented sector in providing the accommodation that this country so badly needs.

Anne Main (St. Albans) (Con): Given that there are some 2 million-plus empty homes in Britain, does the Minister regret the fact that the empty dwelling management order legislation has been totally and utterly ineffectual in bringing private houses back into use, particularly for low-value rents?

Mr. Wright: No, I would disagree with that conclusion. The empty dwelling management order was always seen as the nuclear option, as it were, for local authorities. It is up to local authorities to determine whether they need to press that nuclear button. I think that the threat

of the orders has ensured that empty homes have been brought back into use. It could well be that those empty homes are not in areas where people want to live. The local authority has not only a direct delivery role, as I said to my hon. Friend the Member for Wolverhampton, South-West (Rob Marris), but a strategic role in determining what accommodation is needed in each particular locality and what type of accommodation is needed. I suggest that the hon. Lady speaks to her local authority to ensure that it is using the tools that it needs.

Lyn Brown (West Ham) (Lab): In the London borough of Newham, about 34,000 families are sitting on our council's housing waiting list. If we count those who are in full-time employment, we see that their wages are about £24,000 a year. What does my hon. Friend think of the London Mayor's affordable housing strategy, which is predicated on 40 per cent. of social homes being only for families with incomes above £72,000 a year? Is that fit for purpose, especially in these austere times?

Mr. Wright: I applaud what my hon. Friend is doing; she is a real champion of people who need affordable accommodation not only in London, but elsewhere. I am keen to work with the Mayor of London to ensure that people in the capital have the homes that they need. I am disappointed by the fact that his housing policy seems somewhat confused. His proposals about affordable accommodation seem bureaucratic, burdensome and counter-productive, and I certainly think that the £72,000 limit is not fit for purpose and is somewhat elitist.

Sir George Young (North-West Hampshire) (Con): The Minister will know that many private sector landlords are reluctant to accept people on housing benefit as tenants. Will he initiate discussions with local authorities and representatives of the private sector to overcome that resistance and to make sure that the private rented sector plays a much fuller part in meeting the needs of those with housing problems?

Mr. Wright: Absolutely. The right hon. Gentleman takes a keen interest in housing matters, and he was also a very good Housing Minister, so he will know that Julie Rugg presents a valuable analysis of the different segments of the private rented sector, including the housing benefit market. My right hon. Friend the Minister for Housing and I met the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Burnley (Kitty Ussher), this morning to discuss housing benefit reform and how our two Departments can work together to make sure that tenants who use housing benefit are not unfairly penalised. That will certainly be part of the response to the Rugg review.

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): The value of the private rented sector is that it provides some mobility and fluidity in a sector that often does not provide that, but it is particularly ill suited to families. Is my hon. Friend aware that some families in my constituency have had to move 10 times in 10 years, either through homelessness or simply because they were placed in the private rented sector? In implementing the private sector review, will he look urgently at what can be done to ensure that families in housing need in private rented housing have some security, for the sake of themselves and their children?

Mr. Wright: I agree with my hon. Friend, who, like my hon. Friend the Member for West Ham (Lyn Brown), is a real champion of people who need affordable housing in her constituency—in her case, that is Regent's Park and Kensington, North. The Rugg review provides a somewhat contradictory analysis of the matter. Some 21 per cent. of tenants have been in their homes for five years or more, but there also seems to be something of a churn, with 40 per cent. of tenants in the private rented sector having moved within 12 months. As I have said before, the Government are considering very closely the recommendations of the Rugg review, and we will be in a position to respond very shortly.

Mr. Paul Goodman (Wycombe) (Con): As the Minister knows, the Rugg review last October recommended a light-touch licensing system for landlords. Obviously, no one wants that review to be followed by another, given that it followed earlier reviews itself. That approach would be "bureaucratic and obstructive", to quote the Minister's own words back at him, so can he simply tell us by what date that recommendation, or any of the Rugg recommendations, will be put into effect?

Mr. Wright: No I cannot, because the Government need to make sure that we respond in a comprehensive manner to the Rugg review. Our objective is to ensure that we have a growing and professional private rented sector. The Julie Rugg review has been enormously helpful in allowing us to consider what needs to be done to ensure that we achieve those objectives. We will be in a position to respond to the review very shortly, and I am afraid that the hon. Gentleman will have to wait until then for an answer to his question.

Playing Fields

6. **Mr. Andy Reed** (Loughborough) (Lab/Co-op): What guidance her Department has issued to planning authorities on protection from development of playing fields that have been out of use for five years. [259889]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): Our planning policy guidance note 17, "Planning for open space, sport and recreation", makes it clear that playing fields should not be built on other than in a very limited set of circumstances. In addition, Sport England is a statutory consultee on all planning applications affecting open land that has been used as a playing field in the past five years.

Mr. Reed: The Minister is right, of course, to say that the protections in place now mean that fewer playing fields are built on. Under the so-called five-year rule, however, it is possible for playing fields that have not been used in that period to be developed. It is not beyond the wit of some unscrupulous people to fence off areas of playing fields and then develop them five years later. Will he give some reassurance that he is looking at that problem? I am willing to work with him to make sure that there is a way to protect the small but important number of playing fields that are lost as a consequence of the so-called five-year rule.

Mr. Wright: I am grateful to my hon. Friend for that offer, and I pay tribute to the enormous amount of work that he does in Loughborough and elsewhere on sporting matters. The figures that we have show that in the latest year for which data are available, something like 97 per cent. of all planning applications involving playing fields have resulted in improved or protected playing fields and sporting provision. However, I am aware that there may be loopholes in the system, and I have worked and had meetings with my hon. Friend the Minister for Sport on the matter. In addition, we are hoping to review PPG17 in the summer and, given my hon. Friend's expertise in the matter, I would be keen to work closely with him to ensure that we close any potential loopholes.

Simon Hughes (North Southwark and Bermondsey) (LD): Following that helpful reply, when the Minister reviews the planning guidance, will he consider the proposal that if there is any land in urban areas that has been used for playing fields, allotments or other open space—even more than five years previously—and if anybody can give it a future that is viable and sustainable, whether for sport or other activities, that should be sufficient to guarantee that it stays as open land and is not built on?

Mr. Wright: The current planning provision in PPG17 already says that building cannot take place on playing fields if a strong case can be made that alternative sites are available. That remains a strong provision in the planning framework, but as I said, we will look at it again in the summer. I would be keen to listen to representations from the hon. Gentleman on this subject. Protecting and preserving sporting facilities and open space is a key part of what we need to do to make sure that they are available for the community to enjoy.

Traveller Sites

7. **Andrew Selous** (South-West Bedfordshire) (Con): What planning guidance and circulars have been issued relating to the provision of Traveller sites since 2005. [259890]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Sadiq Khan): Planning policy for the provision of sites for Gypsies and Travellers is set out in Office of the Deputy Prime Minister circular 01/2006, which is helpfully called "Planning for Gypsy and Traveller Caravan Sites". There are additional publications that supplement that planning guidance and are part of the overall planning framework for Gypsy and Traveller sites. All those publications are available on the excellent DCLG website.

Andrew Selous: I represent an area that already has quite a large number of Traveller sites in it, and the Government are asking us to take more sites. Most of the Travellers in my area are foreign nationals from other EU countries, which make virtually no provision for foreign Travellers in their own countries and do not even make provision for Travellers from those countries themselves. Can the Minister explain to my constituents why the United Kingdom seems to be rather out of step with those other countries in this matter?

Mr. Khan: I thank the hon. Gentleman for his supplementary question. The basic principle is that it is for local authorities to decide the needs of the local community. They identify where there is a need and make plans and provision to meet it. *[Interruption.]* The problem with the alternative is more and more unauthorised sites. From his own example, and from his colleagues' experience, too, the hon. Gentleman will appreciate the cost in human misery that those cause.

Julie Morgan (Cardiff, North) (Lab): As chair of the Gypsy and Traveller law reform all-party parliamentary group, may I ask my hon. Friend what discussions he has had about the 90 Gypsy and Traveller families who are due to be evicted from Dale farm, and who include many young children and elderly people? I gave notice to the hon. Member for Billericay (Mr. Baron) that I would raise this question.

Mr. Khan: Again, this may not please hon. Members on the Opposition Benches, but it is for local authorities to decide whether enforcement action should be taken, what enforcement action should be taken, and how it is carried out. The example of Dale farm is one in which enforcement action is being taken by Basildon district council. I know that my hon. Friend has highlighted the fact that vulnerable people—the very young, children and disabled people—are involved there, and I hope the council will take on board the concerns that she has expressed and make sure that it deals sensitively with the people affected.

Mr. John Baron (Billericay) (Con): Returning to the subject of Dale farm, the Minister will be aware that some Travellers are reported to be preparing to resist an eviction, despite having exhausted all their arguments in court. No one wants to see a forced eviction and the sorrow that that would bring, so will the Government do what they can to use their influence to persuade Travellers to move on peacefully? To this end, will the Government help to identify transit sites, so that families are not made completely homeless?

Mr. Khan: I thank the hon. Gentleman for his question. It is for the council to consider what to do. He will be aware that the Travellers have sought leave to appeal to the House of Lords, so we will have to wait and see what the House of Lords decides to do. As he knows, if there are authorised sites available, the police have more options for moving Travellers and Gypsies on. One of the incentives for Basildon to try to find authorised sites is that that gives the police even more powers to take action against the Travellers and Gypsies to whom he refers.

Government Offices for the Regions

8. **Mrs. Sharon Hodgson** (Gateshead, East and Washington, West) (Lab): What assessment she has made of the role of Government offices for the regions in enabling people to cope with the credit crunch. [259891]

The Minister for Local Government (John Healey): Government offices play an important role in supporting the delivery of local services, including advice on credit information and money management. The network of

Government offices is also working closely, particularly at the moment, with regional development agencies on supporting local businesses, and with the Homes and Communities Agency on the supply of housing that people need.

Mrs. Hodgson: The Minister mentioned RDAs. Does he agree that the part played by One NorthEast, my local RDA, as part of the rapid response group dealing with the loss of 1,200 jobs at Nissan, goes to show how important it is for RDAs to have our continuing support?

John Healey: Nissan is important to the region, and its job cuts are going to hit the whole of the region. That is why it is important that the regional development agency has stepped in to co-ordinate the Government action that can be taken to help the workers at Nissan and those in companies affected through the supply chain. My hon. Friend makes an important point. Those who argue that we can do without regional policy or regional development agencies are wrong: without RDAs, regions such as the north-east would lose out on the jobs, investment and business support that they need, particularly during this difficult economic time.

Mr. John Redwood (Wokingham) (Con): Would not cutting out the expenditure on Government offices and unelected regional government in England be a no-brainer at a time of a massive increase in public borrowing—to the point at which every man, woman and child in this country has had £70,000 of liabilities and borrowings imposed on them by the reckless financial incompetence of this Administration?

John Healey: The right hon. Gentleman is just plain wrong; he does not get it. In the past few years, the regional development agencies have brought in additional investment of more than £8 billion to deprived areas. I was the Minister responsible for floods recovery, and let me tell the right hon. Gentleman that within four days of the start of the floods that affected wide parts of Yorkshire, the Yorkshire RDA had set up a helpline and a £5 million scheme to support local businesses, the first payment from which was made within seven days. Can the right hon. Gentleman imagine Whitehall, or any single local authority, responding as quickly? That is the value of our regional development agencies, and that is the importance of their work. All that would be lost if he had his way.

Topical Questions

T1. [259909] **Mr. Edward Timpson** (Crewe and Nantwich) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for Communities and Local Government (Hazel Blears): My Department continues to work to build strong, safe and cohesive communities. Our priority now is to focus on supporting individuals, businesses and communities through the downturn, and to create opportunities for when the upturn comes.

Mr. Timpson: How does the Minister believe the introduction of supplementary business rates—on top of the impending 5 per cent. rise—helps the more than 3,000 local firms in Crewe and Nantwich that currently pay business rates to get through the recession?

Hazel Blears: Clearly, that is a matter for the local authorities, which reflect the views of their communities and their local businesses as to whether they want supplementary business rates. We built a whole series of safeguards into the legislation to make sure that we give people flexibility to raise funds, and so that varying economic circumstances can be taken into account. Hopefully, that is local government at its best, reflecting local priorities.

T2. [259910] **Mr. Eric Illsley** (Barnsley, Central) (Lab): Before the end of 2008, the Government took the decision not to extend the finalisation date for projects funded through EU objective 1 moneys. An extension might have allowed surplus moneys to be utilised in those projects. Has my right hon. Friend any proposals to revisit that decision?

Hazel Blears: As my hon. Friend will know, that is not simply new or free money available to us—it was an extension. The terms on which it was offered by the European Union were extremely inflexible. We have to be aware of how to get the best value for money from these programmes. Nearly £3,000 million is available in the new set of programmes from 2007 to 2013, with nearly £600 million—£531 million, in fact—for Yorkshire and Humber. It may well be that concentrating on those new programmes will be better value for money than simply seeking a bureaucratic extension on very inflexible terms.

T6. [259914] **Mr. Ben Wallace** (Lancaster and Wyre) (Con): In a speech to the London School of Economics at the end of February, the Secretary of State said:

"Ministers should be ready to draw a clear 'dividing line' between groups which"

the Government

"will and will not talk to".

She went on to say:

"There is a need for moral clarity".

Will she therefore demonstrate that moral clarity, and join me in seeking from the Home Office the banning of the group Hizb ut-Tahrir, which clearly operates outside any core values of Britain?

Hazel Blears: The hon. Gentleman will know that the activities of Hizb ut-Tahrir are kept under extremely close review by the Government. He will also know, however, that in order to proscribe a group, it has to be concerned with or involved in terrorism. The moral clarity that I absolutely believe we need to have in this area is to say that even where groups are not acting illegally, when they promote values that seek to undermine the shared values of this country, we seek to engage with and to challenge the values that they seek to promote.

T3. [259911] **Dr. Phyllis Starkey** (Milton Keynes, South-West) (Lab): This year, housing completions in Milton Keynes are above target, but housing starts have fallen

drastically, in large part because developers who have planning permission for quite large developments are fearful of going ahead because of cash-flow problems. Will the Minister consider giving the Homes and Communities Agency greater flexibility so that it can explore risk sharing with such developers to allow these developments to go ahead?

The Minister for Housing (Margaret Beckett): I am grateful to my hon. Friend, who has campaigned long and hard on behalf of her constituents and their housing needs. I have already, in various respects, given the HCA greater flexibility to deal with a number of issues that have arisen. I assure her that should it come and say that it has a problem in this respect, I will certainly look on that approach favourably.

T7. [259915] **Peter Luff** (Mid-Worcestershire) (Con): Would the Minister for Local Government find it helpful if I were to repeat in public an assurance that I gave him in his office last week—that I will welcome and accept any amendment from him that improves my private Member's Bill on the payment of small business rate relief? I hope that that might encourage him to support the Bill's Second Reading on Friday.

The Minister for Local Government (John Healey): The hon. Gentleman, who chairs the Select Committee on Business and Enterprise so well, has a persuasive way of putting his arguments. I am glad that he supports our small business rate relief, which we introduced three years ago. He is right that it is valuable for small businesses; last year it was worth about £260 million. We are considering whether some degree of automatic operation of the system may be the right approach—and as he knows, his Bill would not achieve that. We think that such action is right, and we are looking at the case for it alongside other measures that may help businesses in other ways, particularly at this difficult time.

T4. [259912] **Mr. Gordon Marsden** (Blackpool, South) (Lab): For seaside towns such as Blackpool, effective policies to control the concentration of houses in multiple occupation in deprived and tourism areas are key to regeneration, and particularly to incentives to regenerate brownfield sites. Will my right hon. Friend ask the Homes and Communities Agency to give urgent priority to this problem in seaside and coastal towns, and if necessary to revisit its budgets to suit?

Margaret Beckett: I know that my hon. Friend chairs the coastal group of MPs, and that the subject of HMOs is of great concern to him and to his colleagues in that group. I will certainly consider discussing with the HCA ways in which it can help. As he has in the past raised the issue of licensing, I hope that he is aware that my Department has met his local council and is discussing with it whether there are ways in which a suitable additional licensing scheme, at local discretion and at the invitation of the local authority, might be considered.

Mr. Andrew Robathan (Blaby) (Con): Ministers will know of the scam occasionally used by Travellers—it happened recently in Enderby in my constituency—of buying agricultural land, moving on to it on a Friday night, putting in concrete standings and utilities, and then applying for retrospective planning permission after the weekend is over, when the council offices reopen. Will the Secretary of State pledge that her guidance will give absolute support to any planning authority that refuses such retrospective applications, and that it will state that all members of society, whatever lifestyle they wish to enjoy, must abide by and are subject to all laws, including planning regulations?

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): I can certainly agree with the second part of the hon. Gentleman's question: there is one law in this country, both for Gypsy and Traveller communities and for the settled communities. The concept of the retrospective planning application is an important part of our planning framework, which can take into account ignorance or a genuine mistake, and I do not think that we would want to revisit that. I am certainly keen to enforce the idea on local authorities that each case needs to be decided on its own merits, but allowing for retrospective planning permission does not necessarily mean that planning permission should be approved.

T5. [259913] **Mr. Andy Slaughter** (Ealing, Acton and Shepherd's Bush) (Lab): My hon. Friend will be aware of the recent report by the centre for housing and planning research on behalf of Shelter, which showed that the previous Mayor of London's targets for affordable rented housing underestimated, if anything, the need in London. What can the Government do to ensure that affordable rented housing is built in London, given the current Mayor's abandonment of any targets and his replacement of them with the sort of bizarre, ad hoc announcement that he made last night, without any consultation or Government funding?

Margaret Beckett: I know of my hon. Friend's great concern, and that of many of my colleagues throughout London, about the provision of affordable housing and the considerable housing need that Shelter identified in London. I too have concerns. I am perfectly willing in principle to work with the Mayor on a different way of delivering the affordable housing targets, which he seemed to feel that he could do simply by asking local authorities to co-operate. So far, that does not seem to be delivering. I share some of my hon. Friend's concern, in principle. If the Mayor wants to work with the funding that the Government have made available for London, and to follow in the footsteps of the schemes that we introduced as early as last summer—it sounds as if he is looking at something like our rent-to-buy scheme—I am perfectly willing to work with him, in principle, if it is a way of delivering affordable housing. I am concerned, however, that the proposals in question were not put forward for proper scrutiny and agreement in advance, which does seem a rather chaotic way to continue.

Greg Mulholland (Leeds, North-West) (LD): As the recession bites, have we yet seen an increase in the number of rough sleepers? Given that homeless people sometimes hide from view, that local counts are recorded as zero if they are less than 10, and other such recording problems, does he agree that it is time to look at the methodology of recording rough sleeping, so that we can get an accurate picture of how many people are, unfortunately, sleeping rough in this country?

Mr. Iain Wright: I absolutely agree with what the hon. Gentleman says. I visited Leeds a couple of months ago, where Faith Lodge and St. George's Crypt are doing tremendous work on provision for rough sleepers. We have not seen an increase in the numbers of people rough sleeping as a result of this recession. That is a result of the biggest ever cash injection we have seen in this country, from this Government, and of better partnership working between local authorities, the voluntary sector and ourselves. But the hon. Gentleman's point is a sound one. We need to ensure that the methodology is the start of the process rather than the end, so that that count, which provides for a consistent process, allows us to see what help is needed to get people off the streets permanently, to ensure that we end rough sleeping once and for all, which is the centrepiece of our revised rough sleeping strategy.

T8. [259916] **Andrew Mackinlay** (Thurrock) (Lab): May I tell the Housing Minister that the biggest single spanner in the works as regards the delivery of the Government's policy for the Thames Gateway is the eastern region office of the Environment Agency, which perversely, and not in kilter with the London office or the national Environment Agency offices, is blocking all planning applications in the Thurrock area? As a consequence, the Government's policy for residential development, job creation and the building of a new environment is being frustrated. Good developers who have marshalled sites and are up to their necks in debt are now really sweating, and are likely to go under if immediate action is not taken by her, along with the Thurrock Thames Gateway development corporation, to kick the backside of the Environment Agency in Ipswich. It is perverse, bonkers and—

Mr. Speaker: Order. I must ask the hon. Gentleman to be brief in topical questions in future.

Margaret Beckett: I hear my hon. Friend's concerns very clearly, as does the whole House. If he would care to give me more details of the particular projects that he feels are being impeded, I would be happy to look into the matter.

Mrs. Eleanor Laing (Epping Forest) (Con): In answer to my hon. Friend the Member for South-West Bedfordshire (Andrew Selous), the Under-Secretary of State for Communities and Local Government, the hon. Member for Tooting (Mr. Khan) said a few moments ago that in the matter of providing sites for Gypsies and Travellers, it is up to the local authority to make provision according to its own discretion. How can it be then, that the Under-Secretary himself—I have a letter to show this—has directed Epping Forest district council to provide an extra 39 sites for Travellers in our small area, on top of the 94 sites that we already have? That direction has come from the Government. Why are they being so unfair in requiring proportionately more from Epping Forest district than from any other district in the region?

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Sadiq Khan): May I give the hon. Lady a short lecture on how the policy in this area works? It is for local authorities to assess need in their Gypsy and Traveller accommodation needs assessments. The results of those assessments are passed to the regional planning body, which uses them to make the pitch allocations for local authorities. Local authorities then draw up development plan documents to accommodate the pitch allocations. I would hope that politicians would not try to scaremonger local people into supporting them by using Gypsies and Travellers.

T9. [259917] **Mrs. Linda Riordan** (Halifax) (Lab/Co-op): Conservative-controlled Calderdale council is hiding behind equal pay legislation to try to cut the wages of some of its lowest-paid staff by a fifth. Will the Minister confirm that that legislation was not introduced to cut the wages of hard-working council staff? Will he tell Calderdale council to get its act together and protect the terms and conditions of those low-paid staff?

John Healey: Our commitment to equal pay for work of equal value is unshakeable, and we want every local council to undertake to put in place its obligations on that front. I understand that Calderdale council has completed its job evaluation, and it now has a difficult job to do, in consultation and negotiation with the unions, to put in place equal pay arrangements.

The council will be helped by what I have been able to announce today, which is a further programme of capital cover to help with the back pay costs of equal pay. I hope that my hon. Friend recognises that the general secretary of her own union, Dave Prentis, welcomed that today as

"a great step forward for thousands of women working in local councils who have suffered pay injustice for years...It shows that the Government is sticking to its commitments to deliver equality and fairness throughout the local government workforce."

He is right.

Mr. Adrian Sanders (Torbay) (LD): Returning to the subject of the business rate, what recompense can the Government give a local authority that exercises its discretion in order to save local businesses that might go under, particularly in weak economic areas? For a number of businesses, that is the difference between whether they survive or fail.

John Healey: The hon. Gentleman may not be aware that there is a hardship scheme, including arrangements that give local authorities some flexibility to take such steps. It is limited, but I will send him the details of it, and if he wants to make further representations I will gladly welcome them.

T10. [259918] **Lindsay Roy** (Glenrothes) (Lab): May I ask, in the wake of Gaza, what progress my right hon. Friend the Secretary of State has made on arranging the engagement of young people to make communities more resilient against violent extremism?

Hazel Blears: My hon. Friend will know that there has been a series of meetings involving Ministers from my Department, myself and the Foreign and Commonwealth Office to try to ensure that we engage young people in particular, but the whole community as well. We have also provided additional humanitarian relief for reconstruction in Palestine, and there is a conference on reconstruction today. At this time, it is vital that as well as involving the Muslim community, we say that whatever the events abroad, they are never an excuse for anti-Semitic attacks in our country. I know that we have the support of the whole community on that.

Points of Order

3.33 pm

Mark Pritchard (The Wrekin) (Con): On a point of order, Mr. Speaker. Yesterday, you made a ruling that Ministers should

"reply in a prompt and full manner."—[*Official Report*, 2 March 2009; Vol. 488, c. 587.]

On 19 January, on behalf of my constituent Mr. Edward Orgill, I wrote to the Chancellor's office about the important matter of guarantees for charitable deposits. Having received no reply, I sent a follow-up letter on 6 February. Still having received no reply, I telephoned the Chancellor's office last Friday, 27 February. I was informed that Lord Myners was now dealing with the matter and was about to sign my letter that day, and that it would be e-mailed to me as a PDF file and also posted. As of this morning, I have still not received that important reply. At 2.9 pm today I telephoned the Chancellor's private office, informing him out of courtesy that I would be raising the matter with you, Mr. Speaker. At 2.16 pm, just seven minutes after that call, I received a telephone call from the Chancellor's private office informing me that the reply could be e-mailed over straight away, and that a hard copy was in the post.

I understand that Lord Myners might be sorting out people's pension arrangements at this time—and possibly even his own—but surely it should not take points of order to be raised with you, Mr. Speaker, for Ministers to reply, given your ruling of only yesterday that they should reply in a "prompt and full manner".

Mr. Speaker: At least the hon. Gentleman seems to have got a result by threatening the Department that he would raise a point of order with me. I hope that all Ministers act in kind when they are threatened with a point of order on the Floor of the House.

I assure the House that I meet the Chief Whip regularly and I shall raise the matter with him. It is not right that hon. Members of all parties, who pursue matters on behalf of their constituents, should be delayed unnecessarily.

Simon Hughes (North Southwark and Bermondsey) (LD): On a point of order, Mr. Speaker. Yesterday, at the end of Report stage of the Political Parties and Elections Bill, the Deputy Speaker allowed a vote on a new clause that a Back-Bench colleague had tabled, which was not in a group of amendments that had been reached when the guillotine fell. I make no complaint about the Chair's discretion to use the power that Standing Orders permit. However, I ask for your guidance about when the power can be used, given that until yesterday, whenever colleagues asked whether we could vote on an Opposition or Back-Bench new clause or amendment that would not have been reached by the time the guillotine fell, they were told that it was not possible, and that there was no precedent for it.

How, therefore, are colleagues to know whether an item that has not been reached by the time the guillotine falls will be called? How will they know that there will be a vote? How can they express any view about whether there should be a vote? Above all, how can we have a transparent system, whereby we know whether we can vote on business that is coming down the track, and—more importantly—whether we can debate it? My last point—[Hon. Members: "Hear, hear!"] Everybody's complaint on Report is that we do not have enough time for Opposition or Back-Bench new clauses or amendments. There is a wish for more time for debate, but not for voting, with no chance to debate.

Mr. Speaker: Order. Let me put it on the record, in case there is any doubt, that the Deputy Speaker was acting on my instructions. I used the powers that the House gave me to allow a vote to take place. I do not need to give reasons for that, but I expect hon. Members to use some logic. Only a few weeks ago, a statutory instrument went through the House that allowed the addresses of Members of Parliament to be kept private. There was a debate on the matter, and when the amendment was tabled, I considered it right and fitting for parliamentary candidates to have that privacy. After all, as soon as a general election is called, every hon. Member becomes a parliamentary candidate. That is simple. The hon. Gentleman asks how Members will know when there is to be a vote. If any hon. Member comes to me or the occupant of the Chair and asks, "Is there going to be a vote on that amendment?" sometimes I say yes and sometimes I say no. It could not be simpler.

Peter Luff (Mid-Worcestershire) (Con): On a point of order, Mr. Speaker. I wonder whether you can help me. Later this afternoon or this evening, we will debate motions 5 to 12—eight motions on establishing regional Select Committees. Those of us who oppose the principle of such Committees, and are against having one for our own region, will wish to vote against each and every one of those motions. However, that would detain the House for two hours. Is there any way that the questions can be grouped, if the House agrees?

Mr. Speaker: No, they have to be voted on separately.

Employment Retention

Motion for leave to introduce a Bill (Standing Order No. 23).

3.39 pm

John Robertson (Glasgow, North-West) (Lab): I beg to move,

That leave be given to bring in a Bill to make provision for a statutory right to an employment retention assessment to determine entitlement to a period of rehabilitation leave for newly disabled people and people whose existing impairments change; and for connected purposes.

This is the fourth time that I have brought this Bill before Parliament. The inevitable question is: why do so again? In answering that, I want to outline the purpose of the Bill, which is something with which many hon. Members will already be familiar. The Bill's fundamental aim is straightforward: to help people who become disabled, or who have an impairment that changes, to stay in work and to enjoin and guide both them and their employer in the process of retention.

In 2007, around 350,000 people moved from employment on to incapacity benefit, at great expense to both the taxpayer and employers, and at great personal cost to the individuals affected. Around 70,000 people spent less than three months receiving that benefit. With such high numbers, employment retention is clearly not an issue that is confined to the margins of society, so it is baffling that it is yet to be given prominence in policy and legislation. The consensus in this House—that improvements should be made to improve employment retention—is as unanimous as the collective grievance outside Parliament that so many people should have become unemployed and fallen out of work, despite being able to continue working and, indeed, having to find new employment shortly afterwards.

The employment retention Bill has two provisions to address the situation. First, it would provide a right to a period of rehabilitation leave for a person who developed a disability or whose existing impairment worsened while they were in employment. That would allow them, in appropriate circumstances, a short period away from the workplace to come to terms with their condition. At the moment, there is no such right under the Disability Discrimination Act 1995; rather, it has been left languishing in the non-binding code of practice for employers, where it is more often argued over than granted. The second key measure that the Bill would introduce is a right to an employment retention assessment to examine a person's condition and advise on the reasonable steps that an employer should take under the Disability Discrimination Act to help someone remain in work. That mechanism is designed to ensure early intervention and clear guidance for employees and employers, engaging them both in the process of retention.

The Government and the Opposition have both publicly suggested that what the Bill seeks to do is covered by existing legislation. First, however, that is contradicted by the following organisations that support the Bill and which work with people whose experience does not tally with that claim: the Royal National Institute of Blind People, Leonard Cheshire, the Royal National Institute for Deaf People, Disability Alliance, the Stroke Association, Connect, the TUC, Unite and ASLEF. Secondly that argument is simply wrong and an excuse for inertia. Although the provisions in the Disability Discrimination Act are born from the principle and the arguments for employment retention, they remain inadequate when it comes to delivering it in practice.

In part II of the Disability Discrimination Act, examples are given of reasonable adjustments that employers might have to make. Specific mention is made of allowing an employee

"to be absent during...hours for rehabilitation, assessment or treatment".

However, that states only what could take place, not what must take place, how it could be arranged, who could undertake such interventions or what support and advice are available from employers in facilitating that. That is where the employment retention Bill steps in. It is designed to specify a basic mechanism of assessment, which would determine what is needed to enable someone to remain in or return to work. The Bill would provide a framework to both the employee and employer within which the considerations mentioned in part II of the Disability Discrimination Act could be practically applied.

Furthermore, we know from case law that there is no right to have an assessment to determine someone's condition or the interventions that would be reasonable in the circumstances. In the case of *Spence v.* Intype Libra in April 2007, Mr. Justice Elias of the Employment Appeal Tribunal held that the failure to hold such an assessment was not a breach of an employer's duty under the Disability Discrimination Act. He stated that such an adjustment would apply in almost every case and so would at least be expected to figure in a non-exhaustive list of potential adjustments. Until a case is decided otherwise, that decision is binding on other tribunals, so it is plainly wrong to suggest that the right already exists.

I should not be surprised if the Opposition favoured inaction on the issue, as it was a Conservative Member of Parliament who stopped the Bill from going from Second Reading to Report last year, despite Government backing for it. That is the first sign, and the epitome, of a do nothing party. I find it hard to understand how it would be happy to stand by as people lose their jobs when the law is clear on this matter.

I acknowledge that the Government are looking to improve retention through a number of different measures, but they are far from enough to make the changes that we need. First, as a result of pressure from the campaign on this Bill, which saw more than 180 MPs sign early-day motion 676 in the last Session, the Government announced last March that they would introduce a cross-departmental strategy on employment retention. So, one year on, what has happened? Nothing. The strategy itself—never mind its implementation—will not come in until the end of the year, at the earliest.

Secondly, the Government have announced that they will pilot Dame Carol Black's Fit for Work service, which would provide a similar scheme to the assessments in this Bill. Welcome as that is, it will affect only a small number of people and, more worryingly, we are years away from seeing any concrete changes. At the end of last year, the Government reported on a successful similar trial of employment advisers working from within GP surgeries to help people into work. Following positive results, the three-year trial has been extended for a

further three years. But more than 1 million people will have moved from work on to benefits in that space of time, so we need some urgency and boldness here. We need the immediate change that a Bill such as this would bring, and we need to secure this for everyone.

Finally, there is the employability campaign, which is geared at increasing awareness of the Disability Discrimination Act. It consists of an advertising campaign and seminars, and once again falls far short of what is needed. In 2008, not a single employer from my constituency attended a seminar, and in the whole of Scotland, the total was only 26. Those numbers will barely make an imprint on the 350,000 people a year involved.

I will not speculate on whether a cross-departmental strategy that has done nothing in a year, a poster campaign and a pilot scheme will be enough to secure the place of Ministers in the pantheon of great reformers. We can leave it to history to decide whose name will be mentioned in the same breath as that of Bevan. But what I will say is that we need to do more. For all the apparent concessions, still nothing has changed for a person who becomes disabled in work. The inertia has been constant, but so has the support for this Bill. Throughout the years of working on the Bill with RNIB, I have heard many reasons for doing nothing, and none of them has resulted in the slightest difference to someone who loses their job. That is why I am introducing the Bill in Parliament again today.

Question put and agreed to.

Ordered,

That John Robertson, Jim Sheridan, Mr. David Blunkett, Miss Anne Begg, Julie Morgan, Mr. Mike Weir, John Bercow, Dr. Alasdair McDonnell and Dr. Richard Taylor present the Bill.

John Robertson accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 24 April and to be printed (Bill 68).

Prevention and Suppression of Terrorism

[Relevant documents: The Fifth Report of the Joint Committee on Human Rights, Session 2008-09, Counter-Terrorism Policy and Human Rights (Fourteenth Report): Annual Renewal of Control Orders Legislation 2009, HC 282.]

3.49 pm

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Vernon Coaker): I beg to move,

That the draft Prevention of Terrorism Act 2005 (Continuance in force of sections 1 to 9) Order 2009, which was laid before this House on 3 February, be approved.

The purpose of the order before the House today is to renew the Prevention of Terrorism Act 2005. Sections 1 to 9 of this Act automatically expire after one year unless renewed by order subject to affirmative resolution in both Houses. The effect of this order will therefore be to maintain the powers set out under the Act until the end of March 2010. That will allow us to continue to use control orders to tackle the threat posed to national security by suspected terrorists whom we can neither prosecute nor deport. Since last year's debate on the renewal of the Act, we have had the opportunity to consider the control order powers in some detail. During the passage of the Counter-Terrorism Act 2008, we considered a number of Government and Opposition amendments to the original powers.

In setting the scene for today's debate, it is important to remember that we have witnessed a number of significant attacks and attempted attacks on our country in recent years. I know that all hon. Members, whatever their views on control orders, acknowledge that. Those assaults undermine our fundamental rights and values through the indiscriminate murder of innocent people. The threat to the UK from international terrorism remains real and serious. Recent trials and investigations have shown that terrorist networks are continuing to plan and attempt to carry out terrorist attacks. We need a broad range of responses to reduce the risk of further terrorist attacks, and our responses must ensure public security while protecting our values and civil liberties.

Mr. William Cash (Stone) (Con) *rose—*

David Davis (Haltemprice and Howden) (Con) *rose—*

Mr. Coaker: I shall give way to the hon. Member for Stone (Mr. Cash) first and subsequently to his right hon. Friend.

Mr. Cash: The Minister may know that a number of Conservative Members believe that control is essential, but that control orders themselves are defective. Does he not agree that the real problem is the intertwining of control orders with the human rights legislation and that it would be far more effective if we gave people fair trials, followed due process and adhered to habeas corpus, while ensuring at the same time that the House is able to legislate on its own terms to deal with those very real problems, which I fully acknowledge exist, as he said?

Mr. Coaker: I accept the hon. Gentleman's point and I know that there is no disagreement among any of us about the need to tackle people who threaten our way of life. I accept that absolutely, but I also accept that there

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is disagreement among and between us as to the correct balance between protecting our civil liberties and doing so in a proper way that is consistent with human rights.

The Government's view—and it is my view—is that control orders actually plug a gap. In that sense, nobody is in favour of having control orders if we could possibly do without them, but they plug a gap in circumstances where we cannot prosecute and we cannot deport. That is the gap we are trying to fill. The hon. Member for Stone made a point about human rights legislation. All along the line we have tried to ensure that what we do is consistent with such legislation. Various court judgments have been issued, and I shall say more about that in a moment, but I am well aware that we have only an hour and a half for debate and many Members wish to contribute.

We take our cue from what the courts say. No doubt more will be said about the European Court of Human Rights later, but the House of Lords said in October 2007 that the control order regime was not unlawful; and in October 2008 the Court of Appeal reconsidered that and once again concluded that what we were doing was right. As the hon. Gentleman knows, that is subject to an appeal in the House of Lords, which is ongoing. The European Court of Human Rights judgment, to which he alludes, will inform that debate, but with the use of special advocates—and our ability to provide various other safeguards—we believe that a reasonable compromise is being made between protecting the public and ensuring that human rights are respected.

David Davis: My question is much simpler. The Minister has repeated the argument of the Home Secretary who introduced this measure back in 2005—that people are put under control orders because of the seriousness of the risk they pose to the public. Will he give us his assessment of the seriousness of the risk posed by the one in five who have escaped control orders?

Mr. Coaker: If anyone absconds or breaches a control order, it is a serious matter, and we do not want to see such breaches. It is a criminal offence to breach a control order. We would obviously want to recapture those people and bring them back under the control of the courts under the control order system. The right hon. Gentleman is quite right to highlight that issue. We do not welcome such breaches: we are obviously unsure about where exactly these people are, and if we knew, we would bring them back under the control order system.

Several hon. Members *rose—*

Mr. Coaker: I will give way shortly, but we have only an hour and a half, and a number of Members wish to speak. I have given way to a couple of Members, but if I give way to half a dozen, or seven or eight, some Back Benchers who deserve to be able to contribute will not be able to do so. However, the right hon. Member for Haltemprice and Howden (David Davis) made a serious point about absconders. We need to ensure that the obligations that we place on individuals are properly policed and controlled, and that we do all we can to bring those absconders back under the control order system.

Mr. Edward Leigh (Gainsborough) (Con): If one in five people is absconding and not being found, that raises the suspicion that they do not pose a serious threat, because the Government, or the authorities, do not appear to be making the effort to find them that one would expect.

Mr. Coaker: With respect, how does the hon. Gentleman know that? The one in five who has absconded may have gone abroad. We do not know what the position is.

We have a system that we introduced in an attempt to control individuals whom we have reason to suspect of posing threats. If the hon. Gentleman's point is that the control order system should be abolished, he will have to answer the question "What would you put in its place?"

John Reid (Airdrie and Shotts) (Lab): My hon. Friend is absolutely right. It is no coincidence that those who are raising the deficiencies of the control order system are the first to argue for not a strengthening but a weakening of that system. My hon. Friend knows, as a Minister, that it is a very inadequate system, but surely the answer is to strengthen it and not to do what the Opposition want to do—get rid of it altogether for anyone who falls below the threshold of evidence under which they may be charged and found guilty. Doing nothing when there is unconstrained intention and unconstrained capacity—given the existence of radiological and biological weapons—to murder thousands, perhaps hundreds of thousands, would leave a Government with no weapon at all with which to protect national security.

Mr. Coaker: As a former Home Secretary, my right hon. Friend is obviously aware of the gap that we are trying to plug. He has made exactly the point that I tried to make to the hon. Member for Gainsborough (Mr. Leigh). If we do not use this system, what do we put in its place? How do we plug that gap? I should also point out that we have tightened the system, and no one has absconded since June 2007.

Mr. Gordon Prentice (Pendle) (Lab): Will my hon. Friend give way?

Mr. Coaker: I want to make some progress, but of course I will give way to my hon. Friend.

Mr. Prentice: The former Home Secretary, the right hon. Member for Airdrie and Shotts (John Reid), mentioned evidence. I have here a briefing from Liberty, which tells us that we should allow the admissibility of intercept evidence so that people suspected of terrorist crimes could be prosecuted in the courts in the normal way.

Mr. Coaker: My hon. Friend will know that intercept evidence is the subject of the Chilcot review which is currently taking place. A number of Privy Counsellors from all the main political parties in the House are considering whether it is possible to use intercept evidence without compromising national security. There are differing views about that.

I suggest that my hon. Friend read the report by Lord Carlile, who points out that following consideration of a number of control orders, it was concluded that the use of intercept evidence would not have made any difference in, I believe, nine cases.

I want to make some progress now—

Frank Dobson (Holborn and St. Pancras) (Lab): The Coroners and Justice Bill proposes the use of intercept evidence in coroners courts. If interception takes place in countries other than the United Kingdom, it is admissible in our courts. Bugging people's cars, homes or suits, for that matter, is allowed in our courts. Why can we not make more progress in regard to intercept evidence obtained here?

Mr. Coaker: My right hon. Friend makes a point that a number of hon. Members across the House have repeated. That is why the Chilcot review has been set up. Highly esteemed Members of this House, from all the main political parties, are considering whether what my right hon. Friend suggests is possible. No doubt many of the points he makes will be considered by that review.

Prosecution has been, and continues to be, our preferred approach, because terrorists are criminals who attack the values that we all share. In 2008, 51 people were convicted in 18 terrorism cases, with 21 individuals pleading guilty. Those figures underline the considerable success that the police and intelligence agencies have had in disrupting terrorist plots, and that the Crown Prosecution Service has had in prosecuting those individuals.

We remain absolutely committed to enhancing the ability to prosecute terrorists. Thus, the Home Office is taking work forward to implement the recommendations in last year's Privy Council review report on the use of intercept as evidence. However, the report explained that in a review of nine control order cases by independent senior criminal counsel the use of intercept as evidence would not have enabled criminal prosecutions in any of those cases—in other words, it would not have made any practical difference.

Where we cannot prosecute suspected terrorists, and the individual concerned is a foreign national, we look to detain and then deport them. Last month's House of Lords judgments in three cases, including that of the Jordanian Abu Qatada, demonstrated that the Government's policy of deportation with assurances is compatible with the European convention on human rights.

Jeremy Corbyn (Islington, North) (Lab): The Minister has assessed the workings of this legislation. What assessment has he made of the impact on community relations and community co-operation of the draconian powers that are now held by Ministers and the police in these matters?

Mr. Coaker: It is the same assessment, to be honest with my hon. Friend, as I make with respect to any anti-terrorist legislation: if we talk to communities, explain to them and discuss with them all these various issues, we overcome some of their misconceptions and concerns. As I know he will agree, the enemy is the terrorist; it is not a particular faith, religion or group of people. As long as we explain that the action being taken is proportionate, and as long as we explain why it is being done, I think that we can overcome some of those concerns. I appreciate that he genuinely believes that we run a risk if we do not deal with the matter properly.

Mr. Tobias Ellwood (Bournemouth, East) (Con): Will the Minister give way?

Mr. Coaker: I think that this should probably be the last time that I give way.

Mr. Ellwood: I am grateful to the Minister but perhaps if we had more than an hour and a half to debate these important matters, he would not be under such pressure to answer questions from Back Benchers. On the issue of terrorism, which is the reason why we are debating the order today, I understand from reports in the press that 40 per cent. of the CIA's intelligence services are working in the United Kingdom, tackling religious extremism. Would he comment on that, because it takes the special relationship that we are supposed to have with the United States to a new level and, more important, it highlights the fact that perhaps we are starting to be part of the problem, rather than the solution?

Mr. Coaker: Let me say, without commenting on the specifics of the amount of intelligence work that is or is not being done, that the work of the intelligence agencies, whether the UK's intelligence agencies or those of other countries with which we are working in co-operation, is essential if we are to tackle the threat that exists in our country and in other countries. I know that the hon. Gentleman would agree. As I said, I do not wish to comment on the specifics.

Despite improvements in our ability to prosecute or deport individuals who pose a threat to national security, there is a small group of individuals whom we can neither prosecute nor deport. Control orders are intended to protect the public from the risk that those individuals pose. For the past four years, they have been a valuable and targeted tool in our fight against terrorism.

Each order places a tailored set of obligations upon an individual to help prevent or restrict him from engaging in terrorism-related activity. The orders are not imposed arbitrarily—a judge must agree that they are necessary and proportionate—and they are subject to regular and rigorous review. There are currently 15 control orders in force and only 38 individuals have ever been subject to a control order. However, even if it is a small number, we should still take that seriously.

We accept that control orders cannot entirely eliminate the risk of an individual's involvement in terrorism-related activity. Indeed, the independent reviewer of the operation of the terrorism legislation, Lord Carlile, notes in his most recent report that he has seen some material showing that a few controlees

"manage to maintain some contact with terrorist associates and/or groups."

I believe that has been alluded to previously. However, it is absolutely clear that the obligations in place under control orders make such involvement more difficult. It is for that reason that the Act itself refers to

"preventing or restricting involvement . . . in terrorism-related activity."

The Government believe that control orders should be imposed for as short a time as possible, commensurate with the risk posed. In terms of the individuals currently subject to control orders, seven have been subject to orders for less than a year and only five have been subject to them for more than two years. The High Court has supported our view that a control order can

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be justified beyond two years. Mr. Justice Collins recently found that if there is evidence that an individual remains a danger, the control order should continue for as long as necessary.

Keith Vaz (Leicester, East) (Lab): Has there been any occasion in the last year when the Home Secretary has had to impose an urgent order?

Mr. Coaker: No, there has not.

The highest court in the land has upheld the control order regime, reflecting the substantive and rigorous judicial checks and balances in that system. The Law Lords are currently considering what measures are necessary to safeguard the right to a fair trial in control order cases. Their deliberations will, no doubt, take into account relevant jurisprudence, including the House of Lords judgment in 2007, the Court of Appeal judgment of October 2008 and the recent European Court of Human Rights judgment in the case of A and others.

Our view remains that supported by the Court of Appeal last October: that there is no irreducible minimum level of disclosure that is necessary to ensure that control order review hearings are compatible with a right to a fair trial. The individual is already given as full an explanation as possible of the reasons for the imposition of a control order, subject to legitimate public interest concerns, and each case is determined by an independent judge who has all of the relevant material before them.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): I have listened carefully to what the Minister has said. He will be aware of the danger of selectively choosing court judgments that agree with his position. He has referred to the ECHR judgment in A, which I and the Joint Committee on Human Rights believe leaves no doubt that the gist of the case against the controlee must be given. It will be very hard for the Minister to cite the Court of Appeal judgment that matches his view over what was a very clear judgment from the highest court in respect of human rights.

Mr. Coaker: The hon. Gentleman will know—and my hon. Friend the Member for Hendon (Mr. Dismore), the Chair of the JCHR, is sat behind me—that I take human rights issues extremely seriously. I do not just dismiss them; they are important, and in this debate it is necessary for us to consider the interaction of national security versus the infringement of an individual's liberties. I quote the courts because, at the end of the day, that is why we have an independent judiciary. The hon. Gentleman says that I selectively quote, but the House of Lords will determine whether the Court of Appeal view of what the Government were doing is correct, and the ECHR judgment to which he has referred will inform that debate. We await with interest the outcome of that judgment in a few months' time.

It would be remiss of me not to place on record the Government's thanks to Lord Carlile for yet another thorough report, which will, no doubt, inform today's debate. We will, of course, respond formally in due course, as we also will to the JCHR's most recent report on control orders, and I also thank my hon. Friend the Member for Hendon and his Committee for that report and the speed with which it managed to produce it, in time for this debate. Lord Carlile continues to view control orders as

"a largely effective necessity for a small number of cases".

He further notes:

"The control order system as operated currently in its non-derogating form is a justifiable and proportional safety valve for the proper protection of civil society."

That view is shared by the other two statutory consultees: the intelligence services commissioner and the director general of the Security Service.

We currently face a threat from terrorism that is sustained and indiscriminate. We need to protect the public while ensuring that our fundamental rights and values are safeguarded. Control orders are by no means the whole answer to dealing with the threat we face, but they are an important part of our overall approach. The risk to the public would increase were the Act not to be renewed. I commend the order to the House.

4.9 pm

Mr. Crispin Blunt (Reigate) (Con): May I begin by agreeing with the Minister about the nature of the threat and by placing on record our thanks to the men and women of the Security Service and the police, who keep us safe? I also agree with him that nobody wants these orders; well, I am not entirely sure that I speak for the right hon. Member for Airdrie and Shotts (John Reid), but I think it is widely agreed that nobody wants them.

John Reid: May I place it on the record that I find the orders unsatisfactory? I said that there were so many flaws with them that it was like trying to keep soup in a sieve but, unlike some on the Conservative Benches' I wish to see the regime strengthened in order to protect the public, rather than weakened.

Mr. Blunt: I am grateful for that clarification and for the fact that the right hon. Gentleman thinks the orders are unwelcome—I hope we will be able to provide a satisfactory answer for him.

This is the fourth time that the Government have come to Parliament to ask for a renewal of authority for these orders, and those of us who were here in the previous Parliament are unlikely to forget the circumstances of the passing of the Prevention of Terrorism Act 2005, from which these orders spring. The requirement for these measures was exceptional and was a response to an inconvenient judicial ruling striking down part 4 of the Anti-terrorism, Crime and Security Act 2001. The powers taken under the 2005 Act breached fundamental expectations about habeas corpus and wider liberties that we seek to sustain in Britain for our citizens. Conditions being imposed on Britons on the direction of the Executive without due process are a profound departure from the British tradition and the view that we would like to have of our values. This was an implicit victory for the terrorist, and one that should be reversed at the earliest possible opportunity. It was the desire of the Conservatives to impose a sunset clause on the 2005 Act to force the Government to return to Parliament with a Bill that would be properly considered in all its

stages. Legislating in haste normally allows us to repent at leisure, and that was the case with the rush that accompanied the 2005 Act.

Mr. Cash: Does my hon. Friend agree—I very much agree with him that a proper Bill passed at Westminster would be the right way to go about things according to our legal system—that in the light of our commitment to repeal the Human Rights Act 1998, it would be sensible for us also to commit to having our own legislation to deal with this severe problem and to protect habeas corpus and other rights of fair trial, in which the Conservative party believes, as, I hope, we do as a nation?

Mr. Blunt: My hon. Friend is more learned about these matters than I am, but I hope that, once we had repealed the Human Rights Act while remaining subject to the European convention on human rights, our proposal for a Bill of Rights would give the United Kingdom the margin of appreciation that would help to advance his objectives.

John Reid *rose—*

Mr. Blunt: If the former Home Secretary will allow me, I shall make some progress.

The sunset clause was the mechanism that would have held the Government's feet to the fire, to force progress on the other measures that would end the need for this legislation. Control orders replaced detention for foreigners suspected of terrorism who could not be convicted because the evidence could not be admitted in court and could not be deported because of concerns about their fate on their return home. Two principal methods can help to overcome these problems: first, enabling intercept communications to be presented as evidence in court, as in many other jurisdictions; and, secondly, concluding agreements with the countries to which these people should be deported, so that their treatment would meet proper standards and they could be safely deported.

In those circumstances, the other place accepted the Government's assurances on these and other points, and compromised with annual renewal rather than a sunset clause. Four years later, even the most generous supporter of the Government could hardly describe their progress on these matters as rapid. Sir John Chilcot's review accepted the principle of intercept communications as evidence, but the latest statement by the Home Secretary was highly equivocal and certainly did not convey the impression of an Executive pressing for progress so that the powers we are discussing today, which are an affront to our traditions of liberty, can be disposed of.

Almost no progress is being made on deportation orders. In a parliamentary answer in July 2008, the Government said that they had achieved agreements with Jordan, Libya and Lebanon in 2005, and with Algeria in 2006—there was nothing in 2007, but they said they were pursuing agreements with a number of other countries. The only progress made since has been an agreement with Ethiopia in December 2008, and although I am sure that Mr. Binyam Mohamed will welcome that news, the overall picture hardly reflects an Executive straining every sinew to escape from the need for control orders.

Jeremy Corbyn: Does the hon. Gentleman share my concern that we are in danger of making one-off agreements with countries that have not signed up to any other aspect of international law on, or conventions against, torture—and, in some cases, even the human rights convention? Does he not think that we should put pressure on all countries to sign up to international law before making exceptional agreements outside it?

Mr. Blunt: I agree that we need to put pressure on countries to stop torture. Indeed, many of the countries with which the memorandums of understanding exist are party to the convention—*[Interruption.]* No, I understand that not all are. However, MOUs between the UK and other countries are a way of exerting that pressure, and they are a step forward in pointing out to those countries that certain standards are expected and required, not least by the UK.

Dr. Evan Harris: I do not know how the hon. Gentleman can say that it puts any pressure on another country to say, "It's ok, we'll do a deal with you even though you are a torturer." Is it his party's view that we can trust a torturer, especially one who has signed up to the UN convention against torture and is therefore breaching that solemn international obligation, to adhere to a one-off agreement on an ad hominem basis on a fingers-crossed contingency? Is that the Conservative party's policy on torture?

Mr. Blunt: The hon. Gentleman's characterisation of the issue is ludicrous and not one for the real world. A one-off agreement on a fingers-crossed basis is not how I would describe a solemn memorandum of understanding between the UK and another other sovereign Government. There would be serious concerns if MOUs on torture were breached, and that would be a disaster for the countries involved.

John Reid: I know of the hon. Gentleman's past commitment to national security and I fully understand that in some sense he has inherited this policy. However, as I have clarified my position, perhaps he will clarify the Opposition's position: What should happen to a person who is reasonably suspected of being likely to commit an act of terrorism, perhaps resulting in thousands of deaths, but for whom we cannot—even with intercept evidence—reach the threshold necessary to charge and convict in court? What is the Conservative policy on such a person? Is it just to let him go free?

Mr. Blunt: As the right hon. Gentleman knows, control orders are an unsatisfactory answer. We have to reduce the need for control orders as much as possible so that we can find means other than the appalling affront to our liberties that control orders represent to achieve our aims. I shall go on to explain how that should be achieved.

I wish to remind the House of what was said by my party on the last two occasions that these orders were renewed. In 2007, my hon. Friend the Member for Newark (Patrick Mercer), who is now proving such a distinguished chairman of the Home Affairs Committee's counter-terrorism sub-committee, first of all critiqued the effectiveness of the regime, and supported the extension

[Mr. Blunt]

with great reluctance. But he warned the Government that they could not expect our support indefinitely, saying:

"We have to bring the system to an end and we have to end the injustice".—[*Official Report*, 22 February 2007; Vol. 457, c. 443.]

By 2008, responsibility for these matters was taken by my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve), who so distinguished himself in the debates on the 2005 and the 2006 Acts that followed. He told the House that the only reason we were not voting against the renewal order in 2008 was that

"we could use the Counter-Terrorism Bill and the opportunity for debate surrounding it to have some sensible discussions that could lead to the Government having sufficient confidence to decide that this order will not require renewal at all next year."—[*Official Report*, 21 February 2008; Vol. 472, c. 569-70.]

However, he correctly predicted that the Bill would end up in a confrontation over 42 days' pre-charge detention and that there would be no opportunity to have such a sensible discussion.

Since 2005, we have had two major legislative opportunities to address the control order issue in the Terrorism Act 2006 and the Counter-Terrorism Act 2008. In the event, the passing of both Acts was dominated in the public debate by the issue of pre-charge detention. In 2005, this House rejected the Government's efforts to set this limit at 90 days, compromising on an increase from 14 to 28 days, and last year the Government just got their way here on increasing the limit to 42 days, courtesy of support from the Democratic Unionist party—the cost of that decision will no doubt continue to be counted for some time—but then running into a resounding rejection of their proposals in another place. That saw the withdrawal of the proposals, with something less than good grace, by the Home Secretary. The opportunity to address the control order regime was not taken, and so here we are again.

Since then, we have had the fourth review by the noble and learned Lord Carlile of Berriew, which was so heavily leant on by the Minister in introducing the order. However, the noble Lord has made the point that control orders cannot be used as a permanent disposal for people in these circumstances. In 2008, in his third report, he said:

"Last year I advised that, as a matter of urgency, a strategy is needed for the ending of the orders in relation to each controlee: to fail to prepare for this now whether on a case-by-case basis or by legislation (if appropriate) would be short-sighted."

He also said:

"I advise that there should be a recognised and possibly statutory presumption against a control order being extended beyond two years, save in genuinely exceptional circumstances."

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Will my hon. Friend also remind the House that the Liberty report makes it plain that a number of the controlees have been the subject of control orders for three or four years and that some of them were held in Belmarsh before that time? They have been in detention for more than four or five years.

Mr. Blunt: My right hon. and learned Friend naturally anticipates the point that I am about to make. However, let me return briefly to Lord Carlile, because for some reason he did not return to the issue in his fourth report. Perhaps he got fed up with repeating himself and with the Government's not paying any attention. I have established by parliamentary question, answered on 12 February, that two controlees have now been under orders for more than three years and three for between two and three years. That figure could have been as high as nine had six of those subject to orders between April 2006 and February 2007 not absconded. The conclusion is that the Government have not bothered satisfactorily to remedy the situation, despite requests from us and the independent reviewer to do so.

When I was appointed to this post just over a month ago, I was conscious that, unusually, this was not about the Opposition making a statement but was likely to be a decision about the conduct of Government policy. If the Conservative party opposes these orders, the Government, with their majority, will probably carry the day in this place. However, that will probably not be the case in the other place, which will address the issue of renewal on Thursday. As the Government have to convince both Houses and as these powers expire on 11 March, they would have to have an alternative monitoring scheme in place for the 15 individuals within 40 days. Is an operational plan in place in case Parliament declines the Government's request for renewal? Any alternative plan would presumably involve appropriate levels of surveillance, helped by the fact that much of it will not have to be covert as the target will anticipate that his activities will be monitored.

Can we assume that not all the measures have to be new? Presumably there is already additional surveillance of the individuals in addition to the control order measures, not least because of the high proportion of absconders. We know that comprehensive surveillance is expensive and human resource intensive, and that it will require an appropriate plan for each individual. To achieve equivalence with a control order regime, however, foolproof surveillance is not the standard as a fifth of those subject to control orders have absconded.

The control order regime is also expensive. We have some idea of the cost from the answer given to my question yesterday. The cost of elements of the control order regime that I identified was more than £3 million without the cost of the supervision arrangements or the costs of the control order review group. The current arrangement is costing well over £200,000 a year per controlee.

Control orders should be assessed in the context of the whole counter-terrorism strategy, as well as in the context of the financial cost. I believe that they do damage to the "prevent" element of the strategy because of the message of oppression that they impart to those vulnerable to being suborned into violence against our state, its institutions and people. Have the Government conducted an impact assessment of the control order regime on vulnerable communities? The Minister's answer to the hon. Member for Islington, North (Jeremy Corbyn) suggested that their assessment is based more on talks with the communities, but I think that something rather more rigorous is required.

Control orders also damage our wider sense of security because of the exceptional measures that are viewed by the Government as necessary. They do damage to the basic notion of British liberty and the values we seek to defend. As for the benefits, they are a temporary patch

on a hole in our defences that has been created because we have not yet had the wit to find a way to convict or deport people we believe to be associated with terrorism. If we were not so close to a general election, I would not hesitate to recommend to my right hon. and hon. Friends that we vote against these measures and rip this patch off because, in isolation, the system of control orders is defective.

Such a recommendation would come in spite of the natural wish of a patriotic party in opposition to give the Government the benefit of the doubt when they claim that national security at stake. The difficulty that we face is that, in one disreputable episode after another, the Government have forfeited any benefit of the doubt on their most sacred responsibility, which is to keep the nation safe. They do not need to take that from me, as the hon. Member for Thurrock (Andrew Mackinlay) expressed the sentiment eloquently last week, following the statement on the non-release of Cabinet minutes relating to the decision on the Iraq war.

I have to say that I share the hon. Gentleman's sentiments. Coming to the view that we should not obstruct the renewal of the measures today is not about giving this exhausted and discredited Administration the benefit of the doubt, but about finding the most appropriate way to prepare for the likely exercise of these responsibilities by June next year.

I do not know the result of the next election. It would be both impertinent and unwise to presume on the electorate, but I think they would expect an aspirant Administration preparing to take on responsibility for counter-terrorism and security policies to treat the prospect with the utmost seriousness. Therefore, my analysis is based on the assumption that we will be faced with those responsibilities by June next year.

Our counter-terrorism legislation is at best a bureaucratic mess, and at worst has powers that make the situation worse. Let us consider just how we have arrived at this point: the Terrorism Act 2000 was followed by the Anti-Terrorism, Crime and Security Act 2001, which was implemented in a hurry after 9/11. Further legislation in 2003 made amendments to the 2000 Act, while the Prevention of Terrorism Act 2005 was required after the 2001 Act was found to be inconsistent with the Human Rights Act 1998. Then the Terrorism Act 2006 was implemented in the post-7/7 environment, and after that came the Counter-Terrorism Act 2008. Throw in two Northern Ireland Acts for good measure and we have as confusing a pot pourri as any lawyer could desire. It has presented us with the ridiculous juxtaposition of Abu Qatada receiving a deportation order one day, and compensation the next. The warning about the opportunity being created issued by my hon. and learned Friend the shadow Justice Secretary has been fully justified.

The case for consolidation is overwhelming, and it was made by a Labour Home Secretary more than three years ago. On 2 February 2006, the right hon. Member for Norwich, South (Mr. Clarke) said that he intended to

"plan for the development of a draft Bill that takes into account all the work that I have laid out to be published in the first half of 2007 for pre-legislative scrutiny."—[*Official Report*, 2 February 2006; Vol. 442, c. 479.]

The 2008 Act dealt with little of the work that he referred to. No progress was made on intercept as evidence, and no change arose from the review of the operation of control order. Therefore, the overwhelming case is not only for consolidation but for a full review of the powers that the state has taken.

The review and consolidation should be comprehensive and not piecemeal. The fact that we are probably within touching distance of being able to complete the review with the benefit of the advice available to a Government has decided me in favour of not removing the patch on the hole in our counter-terrorism strategy that control orders represent. On those grounds, I ask my right hon. and hon. Friends not to vote against these orders today, but I want to make it clear to the House that the consolidation and review of counter-terrorism legislation to be carried out by the probable next Administration will begin from the position that we will replace the present control order system. We will also seek to end the abuse of stop-and-search powers under terrorism legislation for non-terrorist-related incidents, and to address controversial offences relating to the distribution of literature and glorification.

Perhaps most important of all, we will allow intercept to be used as evidence in our courts. Achieving that goal will enable us to deliver to public justice more of the people who seek to murder in pursuit of authoritarian theological and political goals in our open society. Such public justice should help to shake any complacency out of communities where our citizens are under direct threat of being suborned.

Mr. Hogg: Will my hon. Friend give way?

Mr. Blunt: I hope that my right hon. and learned Friend will forgive me, but there is still an hour for other people to get in.

In office, if we are so trusted, we will seek to send the message that we understand the values that we are seeking to defend from those who would violently challenge them outside the democratic sphere, and we will use our powers intelligently to find the right balance for an open, liberal democracy engaged in that battle.

This is a task to be carried out coherently, comprehensively and seriously, and that is what the Conservative party pledges to undertake. Too many of the emblematic battles between us on these issues have related to attempts to create party political positioning rather than the most effective defence of our democratic institutions and citizens. The result has been ineffective authoritarianism that has undermined our effectiveness and credibility. It is time for that to change.

4.29 pm

Keith Vaz (Leicester, East) (Lab): It is always a pleasure to follow the hon. Member for Reigate (Mr. Blunt), who spoke with such passion and gave such a careful critique of the control order policy that I thought he would announce that the Opposition would vote against the Government. He certainly had the support of one or two Labour Members—not me. I was surprised that he did not announce that.

The hon. Gentleman may not prejudge the electorate, but he informs us that a general election is imminent, then tells us that it is likely to be in June next year. I should have thought that if the Conservatives really were against control orders, they would vote against them, rather than make an argument against them then

[Keith Vaz]

vote in favour of them. I am not sure what the Liberal Democrat position will be tonight, but I would hate to be in a debate where everyone said how awful control orders are, including the former Home Secretary who introduced them, who said that he did so reluctantly, and for the whole House then to vote for them.

We meet on a day on which we are very conscious of the serious threat of terrorism, because of the events that occurred in Pakistan today, where cricketers on their way to a pre-arranged match were subjected to a terrible terrorist attack. Thank goodness none of them was killed, but others were killed in that attack, which appeared to be carefully constructed and prepared. Of course, that happened thousands of miles away, but the nature of global terrorism is that it can occur anywhere.

That is why many of us, even though we have reservations—I have reservations about the continuation of the orders—give the Government the benefit of the doubt, and believe that when they come to the House and ask for renewal, they do so in a genuine way, with the evidence and the information before them. Obviously, they cannot put all that information before the House, but we accept the points that they make.

Mr. Leigh: The most devastating intervention in the debate so far has been the right hon. Gentleman's, when he asked how many orders had been imposed in an emergency. The answer was none. Surely if the orders meant anything, more of them—or indeed some—would have been imposed. Is this not government by fig leaf? This is a totally artificial debate. The orders are not being used.

Keith Vaz: The hon. Gentleman is right. It is an artificial debate when the Opposition are dead against everything that the Government intend to do but will vote for the order. Will the hon. Gentleman vote for the order today, along with other Conservative Members? Of course there is surrealism about the debate.

Jeremy Corbyn: My right hon. Friend will recall the many debates that used to be held about the continuation of the prevention of terrorism Acts, which were routinely renewed every six months, in which everybody said that they were against it and deeply reluctant, but went ahead and did it nevertheless. Eventually the error of their ways was seen and there was a different approach, a different attitude and a different solution in Northern Ireland. Can we not think again about the danger of taking away people's liberties routinely by a simple vote in the House—or on some occasions by no vote in the House?

Keith Vaz: Yes, we should. I remember that my hon. Friend always voted against, so for that purpose he was on the side of the angels. Today a motion for renewal is before the House. The Government say that they have to renew, for the reasons that they give. They say that they have no alternative, they cannot go through due process and they have to use such orders. The Opposition say that they are against the Government but, apart from the Liberal Democrats, everyone will vote in favour.

Mr. Robert Marshall-Andrews (Medway) (Lab): I am interested in the example that my right hon. Friend gave about the atrocity that took place in the past 48 hours against Sri Lankan cricketers. That happened in a country that not only has access to control orders, but has access to regular torture of suspects. I should have thought that if ever there was an example of repressive measures not controlling terrorism, it was that one.

Keith Vaz: I do not know which group was responsible for that terrorist attack, but I was using it as an example of the fact that that was happening all over the world and could happen here. We have to guard against the dangers of terrorism. It is a very serious matter, and I am sure that this Minister and this Government take it very seriously indeed.

I have just three or four points to make, one of which the hon. Member for Gainsborough (Mr. Leigh) has reminded me about. It is the fact that the Home Secretary has not had to use the powers in the legislation to impose an urgent order. I wonder whether that is because things are getting better, so there is no need for the Home Secretary to use those powers. The powers are reviewable by the courts within seven days of the order being imposed. When the Minister winds up the debate, perhaps he will explain whether what I have referred to is a sign that matters are improving in the fight against terrorism.

Mr. Hogg: Will the right hon. Gentleman remind the House that in respect of non-derogating orders the power of review does not relate to a review of the merits? It is simply an assessment, on judicial review grounds, as to whether the order was fatally flawed.

Keith Vaz: That is a correct analysis of what the courts can do in those circumstances.

I have three quick points to make. The first was made by my hon. Friend the Member for Islington, North (Jeremy Corbyn), and it relates to the effect on the community. We do not know who the people are, but as I have said in many debates on counter-terrorism, I am concerned about the impact of legislation in this field especially on the south Asian and Muslim communities. When the Government ask for orders such as this to be renewed, they need to come before the House and give us examples of community engagement. I am thinking of examples of how they have reassured the community that the order is about a very tiny proportion of the community, that very few people engage in acts of terrorism, and that the order should not be seen as an attack on the community as a whole. The order disproportionately affects members of the Muslim community; I would imagine that either all 15, or 14 of the 15 people involved—I do not know who they are—are members of the Muslim faith. If the Minister has the information, perhaps he will put it before the House.

I agree with what my right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson), my hon. Friend the Member for Pendle (Mr. Prentice) and the hon. Member for Reigate (Mr. Blunt) have said: why is there a delay in accepting intercept evidence in court proceedings? We should go through the due process about which the hon. Member for Stone (Mr. Cash) spoke. We would all like people to be brought before the courts through due process, which is how these cases should always be dealt with. There should be proper legal representation, with the person being informed in advance of the case against them so that they can argue

their case and gather their evidence. The way to ensure that is to accept that intercept evidence should be part of court proceedings. The Home Affairs Committee, some distinguished members of which I see here today, accepted that unanimously, and the Government should accept it.

Patrick Mercer (Newark) (Con): Can the right hon. Gentleman understand why the important process of allowing intercept evidence to be heard in court has taken so long? For the past two or three years, he and I have been discussing the issue. I was a practitioner of this particular use of intercept at least two decades ago, and the issue seems to have been in the public domain for absolutely ages. Can the right hon. Gentleman spread any light on or understanding about what is delaying the Government?

Keith Vaz: I cannot, but the hon. Gentleman has a distinguished record of association with the intelligence services because of his great knowledge on these matters. Perhaps he has the answer; I do not.

John Reid: Perhaps I can help both the hon. Member for Newark (Patrick Mercer) and my right hon. Friend the Member for Leicester, East (Keith Vaz). This is not the only reason, but one of the reasons why there has been such prolonged consideration of the matter is that the people in our intelligence services, who have to engage in the fight against terrorism day in and day out, have warned that there would be a huge diminution in their capacity to counter terrorism if we introduced intercept evidence willy-nilly into British courts. *[Interruption.]* The hon. Member for Newark may not accept that, but I find it disturbing how the advice of the people at the front line of this fight is constantly thrown aside as if it did not matter.

Keith Vaz: I say to the right hon. Gentleman—[Hon. Members: "Friend!"] I should say "my right hon. Friend"—a close, personal friend. [Hon. Members: "Comrade!"] No, I think that comrades have been abolished. I say to my right hon. Friend that we take what the security services say very seriously. I am not saying that they are responsible; all I am saying is that this has been in the public domain, as the hon. Member for Newark (Patrick Mercer) said, and I think that the Government should just get on with it. With the necessary safeguards, it could be of great use to us and allow orders of this kind to be put to one side as we go through due process.

My final point concerns the number of people who abscond. It is slightly embarrassing for the Government to have to renew these orders and tell us about the numbers on control orders who have absconded, bearing in mind how much money is spent on keeping them where they are. We need explanations, perhaps not on the detail of each case, but of why the figure is so high. On the figures that I have, of the 15 people held, seven have absconded. If I am wrong, perhaps the Minister can correct me; anyway, it is a high proportion. The former shadow Home Secretary said that it was a fifth, but I was told that it was half. *[Interruption.]* Seven out of 38; well, that is still a very high figure.

Mr. Cooker: Let me put this on the record. It is seven out of 38, which is the figure that was mentioned, but I repeat that no one has absconded since January 2007.

Keith Vaz: We are very pleased with that announcement—not that people have absconded but that no one has done so since January 2007. We are keen to know what has happened to those who have absconded because, given that they are under such scrutiny, we wonder why it happened and what went wrong.

John Reid: It is my job to be helpful today, Mr. Deputy Speaker. One of the reasons, of course, is that people are not under surveillance 24 hours a day, because—the Minister cannot criticise the courts, but let me criticise them—when we wanted 24-hour surveillance to stop them absconding, the courts said that we could not have that and that people had to have at least eight or 10 hours without surveillance. They had to have a "shift" as a suspected terrorist, and not unsurprisingly, they absconded.

David Davis *rose—*

Keith Vaz: I will not give way any more; I am sorry to right hon. and hon. Gentlemen, but there is very little time. We should not go any further down this path, because that will open up a whole new debate. However, an awful lot of people have absconded given that, as the hon. Member for Reigate said, it cost £3 million to get the whole system working.

I hope that next time Ministers come before the House to discuss counter-terrorism issues they will be able to provide a better explanation of what is happening so that the House can be better informed. With those caveats, I will, reluctantly, support the Government, but they need to do much more work next time if they hope to get this order through.

4.43 pm

Chris Huhne (Eastleigh) (LD): I, too, thank Lord Carlile of Berriew for publishing his report in good time for this year's renewal debate. I also thank the Joint Committee on Human Rights for making its views known in a timely fashion.

My argument is that control orders are not an appropriate instrument for a free society under the rule of law. They are unfair; they breach key rights to a fair hearing; and they get perilously close to reversing a fundamental principle of our criminal justice system, which is that we are innocent until we are proven guilty. Moreover, they are ineffective. We have heard that seven of the 38 people who have been made subject to control orders have absconded. The guilty are more likely to abscond, so the innocent are more likely to be detained. Criminal trials and custodial sentences would be a far more effective way of proceeding and protecting the public.

Let me start with the issue of fairness. These orders involve house arrest and curfew. According to Lord Carlile's report, the average curfew was 13 hours, up from 10 hours in 2007, and the longest was 16 hours. The right hon. Member for Airdrie and Shotts (John Reid), who is no longer in his place, asked whether other means could be used. The Government could have used control orders in going before a judge to derogate from the European convention on human rights—they have not done so. Effectively, we have a system of indefinite house arrest.

David Davis: I am sorry that the ex-Home Secretary is not here, because he did not give the House exactly accurate information when he spoke before. He said that the courts prevented us from keeping the people in question under surveillance 24 hours a day. That is not true, because keeping them constrained 24 hours a day is not the same as keeping them under surveillance.

Chris Huhne: I am happy to take the point of the right hon. Member for Haltemprice and Howden (David Davis); he is absolutely correct.

Control orders have a serious impact on people and their families. In one case, as we heard, a person who has been on a control order throughout this regime was previously detained in Belmarsh—detention, without a fair, evidentiary standard, of effectively nigh-on eight years.

Mr. Hogg: It is worse than that. Not only is there not a sufficient evidential basis, but there is no proper appeal.

Chris Huhne: I am grateful to the right hon. and learned Gentleman for that point. He is absolutely right: the evidentiary standard is particularly low and there is no appeal. It is particularly low because it involves merely a reasonable suspicion on the part of the Home Secretary, which is broadly the evidentiary basis that the Director of Public Prosecutions requires to charge someone with counter-terrorism offences.

My party argues that control orders breach the right to a fair hearing. A person does not know what they are suspected of. They have a limited ability to challenge and defend themselves, and the Government have said that

"introducing a requirement always to provide a summary is not appropriate".—[*Official Report, House of Lords*, 21 October 2008; Vol. 704, c. 1085.]

This is surely a truly Kafkaesque situation, in which someone is held without even knowing the gist of the suspicions held against them. That will no doubt be one of the key factors in the case going to the Law Lords, which has been reported this week.

Furthermore, there is a reliance on secret intelligence, which, by definition, may be all the less reliable for being secret, precisely because sources are not open to scrutiny, cross-examination or challenge. For all we know, intelligence may have been gained through torture around the world; as we know from the recent case of Binyam Mohamed, we unfortunately cannot rule that out.

Intelligence can be wrong—very wrong. Mistaken identity is a fairly common problem. The most famous example is, of course, Jean Charles de Menezes, but another is that of Lotfi Raissi, the Algerian pilot whose life was ruined by intelligence-fuelled suspicions that ultimately proved to be entirely groundless. The grand chamber of the European Court of Human Rights in *A v.* the United Kingdom is the highest court to have looked at these matters, and it states very clearly that its recent decision—I quote the Joint Committee on Human Rights—

"leaves no room for doubt that basic fairness requires that at the very least the controlled person be provided with the gist of the closed material which supports the allegations made against them".

A second issue is the sheer interminability of these orders. There are no time limits and control orders can last for long periods. Two current cases have gone on for more than three years. Effectively, that is indefinite detention. Is that really acceptable as part of our criminal justice system?

Moreover, there is a legal world within a legal world. If someone breaches their control order, they can be prosecuted and convicted. As Lord Carlile points out, three of the current 15 people affected face trials soon for breaching the terms of their orders. Although there is no evidence to bring against them in a court of law on any substantive matter, they have been made subject to a control order, and if they breach it, that becomes a criminal offence. Although they cannot face substantive charges, that is surely Orwellian.

The passage of time is one reason control orders should not be continued. The danger is that the longer someone is held, the greater is the chance that they are entirely innocent.

Jeremy Corbyn: The hon. Gentleman will have heard my intervention on the Minister. What is the hon. Gentleman's personal assessment of the effect on community relations of the continuation of the control orders and the system behind them?

Chris Huhne: I have no doubt that the effect in communities that have suffered from people being held under control orders is a feeling of great injustice, or that that feeling fuels resentment and becomes a recruiting sergeant for people to join a fight that we do not want to exist.

We should learn the lesson from the cases of those held for the maximum period of detention without charge for terrorism offences. The 42 days debate made it clear that half of those held for nearly the maximum period—three people—were released without charge and without further surveillance or suspicion. It is very hard to prove a negative, which is why we insist in the British criminal justice system that someone is innocent until proven guilty. We heard nothing from the Minister today to suggest that there is any exit strategy from control orders, yet the danger of the courts holding against a prolonged control order has to be serious. At the very least, as the JCHR has proposed, there should be a statutory presumption against a control order lasting beyond two years.

Another reason for ending the system is that prosecutions are surely better than control orders, which have clear holes, as we have seen from the number of people absconding. Let us proceed instead to fair trials. The Minister said that there is gap between letting out someone who is entirely innocent and proceeding to a fair trial, but I urge the House to consider the fact that several developments have closed that gap substantially since control orders were introduced. The Minister has not addressed any of those developments. As has been said, the fact that there have been no urgent orders in the past year tends to reinforce the argument.

Mr. Cash: I am glad to hear the hon. Gentleman talk about fair trials and due process. He may know that that is exactly what my Prevention of Terrorism (No. 2) Bill a couple of years ago would have provided for. On control orders, the problem is the Human Rights

Act 1998 and all that goes with it. Does he agree that it would be far better for us to legislate here in Westminster, on our own terms, and override that Act so that we can produce the results that he calls for?

Chris Huhne: I am afraid that I do not agree with the hon. Gentleman at all. His view of the Human Rights Act is extremely jaundiced and discoloured. It completely ignores the history of the Act and of its predecessor and foundation stone, the European convention on human rights, which was drafted by British and American lawyers precisely to put in place a bulwark for our freedoms. Frankly, that has stood the test of time and been terribly important. I am afraid that the hon. Gentleman is completely misguided on the matter.

I return to the developments that have made it easier to close the gap. First, there has been an enormous increase in the number of terrorism offences, under both the Terrorism Act 2006 and the Counter-Terrorism Act 2008. One answer to the right hon. Member for Airdrie and Shotts, who is no longer in his place, is that there is a power to proceed with a prosecution for acts preparatory to terrorism. Taking into account the threshold test and the flexibility that exists, it seems to me that we ought to be able to use proper, fair trials in such cases much more than we do. As Lord Carlile pointed out, that

"could increase the potential for the normal criminal process to be used against terrorism suspects".

There is the flexibility of the threshold test for prosecution, which has the same standard of proof as control orders. If the charge is sufficiently serious, there is hardly any difficulty in persuading a judge of the need for the accused to be remanded in custody.

Other, obvious changes would make a conviction easier to secure. In the short debate, we have already dealt extensively with intercept evidence. I merely point out that in Australia and the United States, prosecutors regard it as extraordinary that we do not use intercept evidence. They do not understand how we manage to bring successful prosecutions without it, not only in terrorism cases, but in those involving organised crime.

David Davis: When I spoke to the head of counter-terrorism at the Department of Justice in the United States, he said that every organised crime prosecution and the vast majority—all bar one or two—of the terrorism prosecutions there require intercept evidence. He made the point that, if intercept strategy is designed to deliver evidence, a lot of evidence is obtained. That clearly does not happen currently in the UK.

Chris Huhne: I agree with the right hon. Gentleman. Contrary to the point that the Minister made in his speech, Lord Carlile states in his report that

"the use of intercept evidence in a criminal court possibly has the potential for reducing the number of control orders".

It is not enough to say that there are some control orders with which we might not be able to proceed. Doubtless, some people who are subject to control orders are entirely innocent. However, it is simply not good enough to say that, because we could not proceed with some control orders using intercept evidence, we should not introduce it or that it could not be used in other cases. Given that, typically, more than 2,000 warrants for interception are issued each year, it would be surprising if that were not the case.

We must remember the example that we set. Any tin-pot dictator is free to argue that the powers that he uses to buttress his regime are simply those that are in force in Britain, the mother of democracies and the mother of Parliaments. Ian Macdonald QC resigned as a special advocate for reasons of conscience, describing the control order policy as

"an odious blot on our legal landscape".

If control order-like powers are still needed for a few individuals, they must be granted by a judge, time limited, subject to a higher standard of proof than mere reasonable suspicion, and subject to regular and thorough assessments of the possibility of prosecution. Securing convictions or letting the innocent go free should be the key goals.

Ministers said when they introduced the powers that they were only temporary. Surely after four years, the time has come for the House to hold them to their word. We will vote against the order.

4.57 pm

Mr. Robert Marshall-Andrews (Medway) (Lab): Most hon. Members remember that the legislation was passed immediately before the last general election. Many of us regard that as at least one reason for the Labour party's sustaining a seismic loss in its popular vote in the months that followed.

The Government pray in aid the independence of the judiciary for sustaining the legislation, claiming that we can pass such legislation safely because the judiciary scrutinise and, if necessary, control it. That is an undesirable state of affairs. It is undesirable that the House should be perceived as persistently passing legislation that is contrary and abhorrent to our standards and civil liberties, and as pressing up against a judiciary that is there permanently to control it. I must say to the Minister that that is not part of the natural or normal history of this country. In many cases, the House has been the guardian of civil liberty and passed legislation to curb an overactive judiciary. Indeed, that characterised the relationship and balance of power between the two. It is a sad day when the Government rely on the judiciary as an alibi for introducing such legislation, which has not been on the statute book for 400 years. The order is not the only example, but it is an especially bad one.

My second point, which is a pragmatic one, is that it is said that there is a raft of cases, the number of which is apparently small—15 in all—where the suspected offence or potential offences are so heinous that the fact that we cannot gather enough evidence to get past the threshold test of reasonable belief in guilt means that, in those circumstances, there is no option. Bringing to bear what experience I have in the criminal courts, I do not accept that. I do not believe for one moment that a raft of such cases exists. From what I can bring to bear, I have no experience, either in terrorism cases or outside them, where, if the offences are sufficiently serious and there is evidence on which a raft of people can come to the conclusion that there is a real danger of serious crime, those who are responsible for the investigation of crime will not succeed in obtaining evidence that can be placed before a jury. What is being done is not being

[Mr. Robert Marshall-Andrews]

done for judicial reasons; it is being done for convenience, and that is all. This House should scrutinise it and reject it.

My third point is that this measure is part of what is rapidly becoming a compendious indictment against us, America and other democratic states, for allowing such a state of affairs to happen. Of course, control orders are not unlawful rendition and in many ways they do not fall into the same category, in terms of either their lawfulness or their consequences. Nor are control orders in the same category as what the past 48 hours have revealed to be a travelogue of consistent torture, carried out by the CIA and now deliberately erased from its records. Of course control orders are not as important as that. But to a radicalised and radicalising world outside those democracies, they form part of a compendious indictment that we in these great democracies are prepared to abrogate the rule of law in certain circumstances, which are obviously aimed at those radicalising people in the Muslim world, and to suspend our way of life and our democracy in order to meet them.

For those three reasons—one pragmatic, one historical, and all, I hope, principled—if there is a vote at the end of this debate, I shall vote against the Government with a completely clear conscience.

5.2 pm

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): In view of the shortness of this debate, I intend to be much briefer than I would be otherwise. It is a great pleasure to follow the hon. and learned Member for Medway (Mr. Marshall-Andrews) and I shall be in the same Lobby as him this evening.

Let me begin by stressing how draconian such orders can be. It is perhaps worth reminding the House of Mr. Justice Sullivan's comments in the case of the Home Secretary *v.* J.J. He described and outlined the nature of such orders thus:

"Each respondent is required to remain within his 'residence' at all times, save for…six hours."

although that is not quite right now. Respondents were held in one-bedroom flats. They were not allowed to receive visitors other than those approved in advance by the Home Secretary. The residences were subject to spot checks by the police. The respondents were allowed out only within carefully defined areas, not including, for the most part, where they happened to live in the past.

For the most part, respondents were not allowed to meet by prearrangement any person not approved by the Home Secretary. They were required to wear tags. They were required to notify the monitoring authority before they left and when they returned. They were not allowed to have any communication equipment other than monitored fixed lines. The practical effect, of course, was that they could not work. It is therefore perhaps not surprising that Lord Bingham said that the control order system is a form of house arrest, but without the benefit of association with fellow prisoners. It is very bad indeed.

My next point deals only with non-derogating orders. The evidence on which such orders can be made falls far short of the evidence required to sustain a criminal conviction. All that is required is reasonable grounds for suspecting that a person has been involved, or is involved, in a terrorist organisation, and a belief that the order is necessary.

My third point is that the judicial supervision involved in all this is very slight. In the case of non-derogating orders, the court will review on judicial review principles only whether the order is flawed. That is not a review on the merits; it simply asks whether the making of the order was flawed. It is true that, in the case of the derogating orders, there will be a review on the merits, but using the relatively low standard of the balance of probabilities, so the judicial intervention is slight.

I shall take up a point that was raised earlier, before I rapidly conclude. The judicial process involved is inherently flawed because the relevant material—or at least most of it—is not disclosed to the controlee. The controlee has a special advocate, but that advocate is unable to communicate to the controlee what he has been told of the intelligence, and thus cannot obtain proper instructions or learn what the controlee wishes to say on the matter.

I want to make two final points before I sit down. There is very little independent oversight of this process. It is true that the Minister must report quarterly to the House, and that we have the benefit of the independent reviewer, the noble and learned Lord Carlile. We also occasionally have reported decisions of the superior courts, but it is very difficult for the House, the public or the press to know whether what we are doing is really justified or proportionate, and whether it is being done in way that is right, proper and justified. We just do not know, and that is profoundly unsatisfactory.

Lastly, because these powers are in existence, the momentum for seeking alternatives is very much less. It is remarkable, given that Sir John Chilcot reported on intercept evidence as long ago as February 2008, that we have still made no serious progress on that. I suspect that, because these powers exist, many people who could be prosecuted are not being prosecuted, because it is so much easier for the Home Secretary to make a control order.

Had more time been available, I would have drawn the House's attention to a number of suggestions that I have for improving these orders, if we must have them. I am not going to do that today, however, because other right hon. and hon. Members wish to speak. I am going to vote against the control orders, because they are unacceptable in a free and open society. We condemn indefinite Executive detention wherever we see it—think of the criticisms that we make of the Government of Israel—yet, in truth, we are doing exactly the same thing. We should not be doing so.

5.8 pm

Mr. Andrew Dismore (Hendon) (Lab): I rise to speak to my Committee's report—the 14th to be published in this Parliament on counter-terrorism policy. Like every other report, we begin by agreeing with the Government on the importance of the obligations imposed on them by human rights law to take effective steps to protect the public from the real threat of terrorism. However, we have consistently raised a number of human rights concerns about the legislation on control orders. Those concerns include:

"The lack of opportunity for proper parliamentary scrutiny",

"The severe extent of the obligations imposed, which have appeared to us to be so restrictive as to amount to the deprivation of liberty",

as well as the lack of due process, particularly

"the lack of opportunity to challenge closed material".

They also include:

"The seriousness or otherwise of the Government's commitment to prosecution",

and the lack of an exit strategy.

The only thing that we welcome is the fact that we got the reviewer's report a month in advance of this debate, following our recommendation, which had been repeated on many occasions, that we should be allowed time to give proper consideration to it.

The concluding observations of the United Nations Human Rights Committee on the UK's compliance with the International Covenant on Civil and Political Rights included a recommendation that the Government should ensure that the judicial process for challenging the imposition of a control order complies with the principle of equality of arms, which it clearly does not.

Mention has been made of the ECHR judgment in the Grand Chamber of 19 February. That concerned Belmarsh detainees, but the issues in that case are exactly the same as those affecting control orders. The Court said that special advocates could not perform their function of safeguarding the detainee's interests during closed hearings in any useful way unless the detainee was provided with sufficient information about the allegations against him. We also drew attention to the report of the Eminent Jurists Panel on Terrorism, Counter-terrorism and Human Rights, published on 17 February, which expresses concern about a "parallel legal system" developing, so undermining the rule of law.

The orders are punitive. We have seen curfews of up to 16 hours and, on average, they have gone up on from running for 10 hours last year to 13 hours in this report. Lord Brown, who ruled on this, has been misquoted. His actual view, as reported, was:

"It may be... that 16 hours it is too long. I would, however, leave it to the Strasbourg Court to decide upon that".

The Government have interpreted that as if he was saying that 16 hours is the benchmark, but that is not what Lord Brown said at all.

I have many concerns about the issue of due process. We produced a whole series of recommendations when we debated the Counter-Terrorism Bill in the last Session, but, unfortunately, the Government did not accept any of them. I nevertheless urge the Government to consider again at least providing a statement of at least the gist of any closed material in accordance with the decision of the European Court—and, I hope, the forthcoming decision of the House of Lords—as that is the key issue in the case being tried today. The Minister's predecessor offered to meet the special advocates who planned to describe to him the inherent potential unfairness in the regime, but unfortunately, that Minister did not keep his promise, as he was shifted to another position before, I suspect, he had the opportunity to do so. I hope that the current Minister will undertake to keep that promise.

Mr. Coaker: Let me assure my hon. Friend that I will ensure that that happens.

Mr. Dismore: I am grateful to the Minister for repeating that commitment, as the current system is reminiscent of the infamous Henry VIII Star Chamber court: people are not told the case against them; they are not allowed their own choice of lawyer to defend them; the lawyer does not know the case he has to defend; and, in the end, people are not even provided with the reasons for the decision to subject them to a control order. As we now know from the Belmarsh cases and others, a control order can mean seven years, which, with proper remission taken into account, is equivalent to a 14-year prison sentence, yet not many terrorism offences carry that weight of penalty. We should bear that in mind.

Much has been said about intercept. It is a year since the Chilcot inquiry reported and the Prime Minister has given an undertaking to accept the report in principle, so perhaps the Minister will explain why we have as yet seen no outcomes.

Lord Carlile spoke about the exit strategy last year and this year repeated what he had said, but we have no exit strategy. Our Committee recommended, following on from Lord Carlile, that no control order should be continued beyond two years, save in exceptional circumstances. In many cases, these people are no longer a threat. Realistically, what terrorist organisation is going to keep on its books someone who has been in detention of one form or another and subject to scrutiny for that period?

If the President of America is going to close Guantanamo Bay, surely we should adopt the same approach in respect of control orders. We must have an alternative—a human rights-compliant alternative. That has been the recommendation of my Committee time and again as a means of dealing with those people of whom we have such fears.

5.13 pm

David Davis (Haltemprice and Howden) (Con): If we looked at this issue solely from the point of view of effectiveness against terrorism, it would fail the test. It is no good solving a single problem if that solution creates 100 further problems. A number of hon. Members have made the point that this works to exacerbate radicalisation.

It is worth considering the size of the problem. When Lady Manningham-Buller made her last speech on the matter, she said there were 1,600 radicals in the country; one year later, Jonathan Evans, then head of MI5, said it was more than 2,000—an enormous number and it is growing at 25 per cent. a year. The reason for that is the perceived injustice by the Muslim community of a number of measures—42 days' detention, 90 days' detention and these control orders. The simple fact is, as the Liberal spokesman said and as my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) reiterated, that this is a Kafkaesque process in which people are given almost no knowledge of the evidence and very little knowledge of the accusation.

The simple fact is that owing to the lack of oversight, injustice is almost certainly common. We know too of at least one instance in which MI5 presented the same evidence to support opposing conclusions in two successive hearings of the Special Immigration Appeals Commission. That was discovered only because the same defence lawyer was representing two different defendants. As a

[David Davis]

result, both judgments were overturned, and some coruscating comments were made by Lord Justice Newman at the time.

Mr. Gary Streeter (South-West Devon) (Con): Will my right hon. Friend give way?

David Davis: Very briefly.

Mr. Streeter: Has my right hon. Friend observed that, according to page 5 of Lord Carlile's excellent report, the control orders of six individuals were revoked because—this is in brackets—

"the assessment of the necessity of the control order changed"?

Presumably those individuals were no longer deemed a threat. Does my right hon. Friend think that that means that they were reformed terrorists, or that the control orders should not have been issued in the first place?

David Davis: That, of course, is the risk, and it brings us to the issue of the size of the problem. When this piece of law was put in place, we were told by the then Prime Minister, Tony Blair, that "hundreds" of people would be subject to control orders. And what do we find? There is a maximum of 15 at any one point in time.

Mr. Coaker *rose—*

David Davis: I will give way to the Minister if he wishes to challenge me on that point.

Mr. Coaker: I do not want to challenge the right hon. Gentleman on that point, but I should have thought that the fact that there is a limited number of control orders shows that the Government are trying to act in a necessary and proportionate way.

David Davis: What it shows, frankly, is that information given to the House at the time when the control order legislation was passed was simply not true. Presumably the Minister is not trying to tell me that something else has happened to those hundreds of people. They certainly have not been prosecuted or arrested.

The other issue that the Minister batted aside when I put it to him was the number who had escaped. If these people really pose an ever-present threat to the safety of the public, seven escapees—presumably the most dangerous, the most cunning, the most determined to get away—would be a matter of concern. When asked about that, the Minister's predecessor, the right hon. Member for Harrow, East (Mr. McNulty), said that they were not a significant threat to the country after they had escaped.

Much of this is about resources. Much of it is about the willingness to introduce a surveillance mechanism. We all understand that surveillance is very expensive, because it involves a vast number of people. The trouble is that control orders without it do not work. That is the point about the seven escapees. Control orders with surveillance, however, save no money, so what is the point? There is little point in this legislation other than machismo.

Let me make one simple final point. It is clear from all the arguments that we have had about intercept evidence that an intercept strategy would solve the problem caused by the majority of 15 or so individuals with whom we must deal in any given year. It would reduce that total to a tiny number, and surveillance would solve the remaining problem.

This is an unnecessary piece of law, and a bad piece of law. It does huge damage to the Government's "prevent strategy", and I suspect that, if anything, it makes the threat from terrorism worse.

5.18 pm

Jeremy Corbyn (Islington, North) (Lab): I will be brief, because there is very little time.

We have been over the Prevention of Terrorism Act in the past. We have ritually renewed it every six months. Eventually, people began to realise that there must be some other way of doing things. As a result of post-9/11 syndrome, we passed various pieces of draconian legislation. We passed legislation allowing control orders to be imposed, and the effect has been to damage community relations, to make people less rather than more co-operative with the police and everyone else, and to take away the liberties of citizens of this country. Surely it is time for this House of Parliament to stand up and defend liberties rather than taking them away, and to support the rule of law rather than undermining the decent judicial process that ought to be the tradition of this country.

5.19 pm

One and a half hours having elapsed since the commencement of proceedings on the motion, the Deputy Speaker put the Question (Standing Order No. 16(1)).

The House divided: Ayes 271, Noes 89.

Division No. 49] **[5.19 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Benn, rh Hilary
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Ms Dawn
Byers, rh Mr. Stephen
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin

Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Follett, Barbara
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
George, rh Mr. Bruce
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Munn, Meg
Murphy, Mr. Denis
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Ward, Claire
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. Frank Roy and Mr. Dave Watts

NOES

Abbott, Ms Diane
Alexander, Danny
Baker, Norman
Barrett, John
Beith, rh Sir Alan
Brake, Tom
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Clark, Ms Katy
Corbyn, Jeremy
Davies, Mr. Dai
Drew, Mr. David
Farron, Tim
Featherstone, Lynne
Fisher, Mark
Flynn, Paul
Foster, Mr. Don
George, Andrew
Gibson, Dr. Ian
Gidley, Sandra
Goldsworthy, Julia
Hancock, Mr. Mike
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Hoey, Kate
Hogg, rh Mr. Douglas
Holmes, Paul
Hopkins, Kelvin
Horwood, Martin
Hosie, Stewart
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Jones, Lynne
Keetch, Mr. Paul
Kramer, Susan
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Llwyd, Mr. Elfyn
Mackinlay, Andrew
MacNeil, Mr. Angus
Marshall-Andrews, Mr. Robert
Mason, John
McDonnell, John
Meacher, rh Mr. Michael
Moore, Mr. Michael
Mulholland, Greg
Oaten, Mr. Mark
Öpik, Lembit
Pelling, Mr. Andrew
Prentice, Mr. Gordon
Price, Adam
Pugh, Dr. John
Reid, Mr. Alan
Riordan, Mrs. Linda
Rogerson, Dan
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Shepherd, Mr. Richard
Short, rh Clare
Simpson, Alan
Skinner, Mr. Dennis

Smith, Sir Robert
Stunell, Andrew
Swinson, Jo
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Walter, Mr. Robert
Wareing, Mr. Robert N.
Webb, Steve
Weir, Mr. Mike
Williams, Hywel
Williams, Mark
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wishart, Pete

Tellers for the Noes:
John Hemming and
Mr. Roger Williams

Question accordingly agreed to.

Resolved,

That the draft Prevention of Terrorism Act 2005 (Continuance in force of sections 1 to 9) Order 2009, which was laid before this House on 3 February, be approved.

Corporation Tax Bill

[Relevant documents: The First Report of the Joint Committee on Tax Law Rewrite Bills, Session 2008-09, Corporation Tax Bill, HC 160.]

Motion made, and Question put forthwith (Standing Order No. 60(8)),

That the Committee of the whole House be discharged from considering the Bill.—*(Mr. Timms.)*

Question agreed to.

Third Reading

5.32 pm

The Financial Secretary to the Treasury (Mr. Stephen Timms): I beg to move, That the Bill be now read the Third time.

I am very pleased to open this Third Reading debate on the Corporation Tax Bill, which rewrites provisions used by companies in computing their income as well as some basic provisions, including the charge to tax. The Bill has been produced by Her Majesty's Revenue and Customs tax law rewrite project, and its aim is to make the legislation clearer and easier to understand. It is the first of two Bills that will rewrite corporation tax—the second will be introduced later this year. Another Bill, also to be introduced in Parliament later this year, will rewrite international and other provisions, some of which apply for the purposes of both income tax and corporation tax.

Mr. John Redwood (Wokingham) (Con): Does the Minister really think that producing a Bill that is 821 pages long represents a great simplification? Can the Government not do a bit better than that?

Mr. Timms: Indeed I do think that, and I shall address exactly that point in just a moment. Length and complexity do not necessarily go hand in hand—indeed, the brevity of some of the old, rather opaque legislation is a serious and significant cause of complexity, which this rewrite addresses.

The tax law rewrite project was set up in 1996 by the then Chancellor—the current shadow Business Secretary—and I am pleased that it has, on the whole, continued to enjoy cross-party support. The principal aim is that rewritten legislation should be far more accessible to users than the source legislation, some of which is, as I have said, dense and difficult to follow. The project's success in meeting that aim is widely recognised, and has been confirmed by independent market research. To date, the project has rewritten the capital allowances and income tax legislation. This Bill is the fifth produced by the project.

The project takes great care to ensure that the effect of the legislation is unchanged, but it can encompass minor changes in the law when they improve the legislation—for example, by clarifying points, repealing obsolete material or correcting minor, unintended anomalies. There are 106 such changes set out in the explanatory notes to this Bill. However, major changes will always be matters for a Finance Bill. All proposed changes in the law are considered by both the project's Committees, and no minor changes are included in the Bill without the approval of both.

All this would be impossible without considerable input through consultation of UK tax specialists and others. I wish to express particular thanks to them, and to members of the project's consultative committee, chaired by Robina Dyall, who have ensured that the consultation has been detailed and thorough. The consultative committee includes representatives of small and large businesses, accountants, lawyers and other tax specialists, and their time and commitment are greatly appreciated.

The strategy of the project is set by its steering committee, chaired by Lord Newton of Braintree, and includes members from both Houses of Parliament, the judiciary, business and consumer groups and the accountancy and legal professions. I am particularly grateful to Lord Newton for his commitment and guidance.

The Joint Committee of both Houses, chaired by the hon. Member for Gosport (Sir Peter Viggers), considered the Bill on 27 January and noted the extensive process of consultation to which the Bill had been exposed. It particularly noted the way in which the corporation tax provisions had been split between this and the second corporation tax Bill, those provisions for which the usual consultation procedures had been curtailed, and the powers in the Bill to amend the legislation. The Joint Committee also considered all the amendments to the Bill.

I am pleased to say the Joint Committee concluded that the Bill will be a welcome clarification of the existing law, which will be easier to use and more accessible to users. The Committee was satisfied that changes to the law were of very minor significance and it accepted the amendments, all of which were of a minor, technical nature.

Lembit Öpik (Montgomeryshire) (LD): I am very encouraged by what the Minister has said about consultation and the breadth of the Government's commitment to the simplification of tax law. Can he give an indication of how substantial the decrease in tax regulation will be for small businesses? Will they actually notice a difference? I love the idea of the Bill, but I am concerned that it is less courageous than small businesses would like.

Mr. Timms: I am not in a position to quantify the benefit, but on the basis of the feedback that has been received on the Bill and the research undertaken on previous rewrite Bills, I expect that those who use the legislation will find it significantly easier to use than was the case in the past. I have a figure for the overall saving that we think will accrue to business, small and large, from this measure, which is—from memory—£25 million. That is a worthwhile saving and one that small businesses will appreciate. I am grateful to the hon. Gentleman for raising that important point.

I have explained that the Bill contains provisions used by companies in computing their income and certain basic provisions. It is the first of the Bills rewriting corporation tax. Some of the corporation tax rules in it originally applied to both income tax and corporation tax but, as the tax law rewrite project's previous Acts provided a separate set of provisions for income tax, the income tax provisions have been in the rewrite style whereas the corresponding corporation tax legislation remained in its original form. This Bill starts the process of bringing the drafting of corporation tax back into line with that for income tax where the provisions share the same source legislation.

I come now to the point raised by the right hon. Member for Wokingham (Mr. Redwood). In the old legislation, income tax and corporation tax shared some significant bodies of legislation. In the rewrite, those two have been separated, so there is one set of provisions for income tax and one for corporation tax. Of course, that means that there are more pages, but it also means that the Bill is easier for small businesses and others to use.

Much of the ground covered by the Bill is similar to that covered by the Income Tax (Trading and Other Income) Act 2005. That similarity, I think, will make it easier for tax professionals and local accountants who deal with both income tax and corporation tax to find the provisions that they are looking for. The Bill contains provisions on trading and property income, income from other sources and provisions used in computing income that are specific to companies, such as those for loan relationships, derivative contracts and intangible fixed assets. It rewrites provisions for particular types of expenditure, such as that incurred by companies with investment business and companies incurring expenditure on research and development.

Some key basic corporation tax provisions are also rewritten in the Bill, such as the charge to tax, the rules about accounting periods and the legislation about company residence.

To sum up, the Bill is a worthwhile contribution to modernising our direct tax legislation so that it is clearer and easier to use. It maintains the project's excellent record in improving current legislation and it has been welcomed by those who use it. I am grateful for the support that has been shown across the House throughout this process. I welcome the hon. Member for South-West Hertfordshire (Mr. Gauke), who has taken part in the debates as we considered the Bill in Committee, to the Front Bench. I commend the Bill to the House.

5.41 pm

Mr. David Gauke (South-West Hertfordshire) (Con): It is a pleasure to be able to speak in this Third Reading debate. We obviously debated the matter on Second Reading and in Committee, which had an unusual structure, and given that little has happened since I suspect that we might cover some of the same ground.

Although this is one of the longest and largest Bills that the House has ever considered, this will be a relatively short speech. I want to take the opportunity to put on record my praise for the professionalism and thoroughness of the HMRC staff and secondees who have been involved in this process. Having spoken to a number of outside experts, I know that they have been impressed by the manner in which the process has progressed. I also want to thank the outside bodies for their contributions to the process. They have plenty of other things to be doing and the demands of a Bill of this size create considerable pressures for them, but they have none the less made a full contribution to the process.

I also want to thank the Joint Committee on Tax Law Rewrite Bills for its work in scrutinising the legislation. In particular, I want to thank my hon. Friend the

[Mr. David Gauke]

Member for Gosport (Sir Peter Viggers), who was the acting Chairman for the Committee's deliberations. He effectively succeeded my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), who served in that role for two years with much distinction.

The Bill is essentially a rewriting of existing legislation, as the Minister has stated. Consequently, the scrutiny that the Bill received was somewhat different from the normal procedure. None the less, one or two points were raised before the Joint Committee, one of which was the powers in the Bill to amend legislation and the ability of Parliament to scrutinise those changes. I know that the Joint Committee received sufficient reassurances on that point, which I also raised on Second Reading, but I would be grateful if the Minister, if he has the opportunity to catch your eye again, Mr. Deputy Speaker, could reiterate the protections that are available and assure the House that it will not be possible to amend primary legislation through secondary legislation other than in very restricted terms.

As I said, this Bill rewrites existing law, and the Minister referred to 106 minor changes that it will bring in. Forty three will alter the amount of tax due in practice: of them, 23 will involve a decrease in tax due and 19 either a decrease or an increase. The one change that will result in an increase in the amount of tax due clearly falls within any definition of the word "minor", as it will merely cause the threshold at which the relief for research and development expenditure to be lower by £27 in a leap year.

I do not think that that is an attempt by the Government to fill in by stealth the black hole in the public finances, but it would be helpful if the Minister could give some guidance to the House about what, precisely, a "minor" change is. We may say that we will know one when we see one, and these changes certainly fall into the "minor" category, but some guidance from the Minister would be helpful.

Mr. Robert Syms (Poole) (Con): My hon. Friend makes a good point. The documents accompanying the Bill are full of boxes to be ticked when more or less tax ends up being paid, but does he agree that we also need to know the net effect of the measures? What is the overall effect of these minor changes? They may add up to very little, but it would be useful to get the relevant figures from the Minister.

Mr. Gauke: I am grateful to my hon. Friend, who raises an important point. I do not know whether the Minister will want to give us a break down of the Bill's annual net effect for most years or just for leap years, but some guidance from him on the effect of the minor changes would be very helpful.

Mr. Redwood: Am I right in thinking that this Bill—assuming it is passed—will come into effect on 1 April? We have a Budget only 22 days later, so this could be a 22-day regime for corporation tax that will be replaced by whatever the Chancellor wishes. How does it simplify life if people have to mug up on this Bill, only to discover 22 days later that everything has changed?

Mr. Gauke: My right hon. Friend makes an interesting point, and I hope that the Minister will respond to it. We will have another Finance Bill in the summer that I suspect will involve changes to corporation tax. The rate at which tax law changes is a problem: some changes are unavoidable, but many are not.

The Bill is concerned with drafting problems and its intention is to make corporation tax law much clearer, but it does so at the expense of volume, as my right hon. Friend noted earlier. However, my main criticism is that it does not address the fundamental problem of tax law complexity. To be fair, it does not attempt to do so, but that is one of its weaknesses.

Our tax system is widely regarded as over complex. Professional bodies and business groups such as the Association of Chartered Certified Accountants, the manufacturers' organisation EEF and the Chartered Institute of Taxation have all made that point again and again in recent months. It is notable that, when the firm United Business Media relocated from the UK to the Republic of Ireland, it cited tax complexity as one of the reasons behind the move.

It is also worth reminding the House of the survey undertaken by the Tax Reform Commission in 2006. There were 600 responses from businesses of various sizes: 60 per cent. said that they were increasing spending on tax planning and compliance, and 78 per cent. said that tax complexity had increased in the previous five years. It is therefore clear that we do have a problem with tax complexity.

Mr. Mark Field (Cities of London and Westminster) (Con): My hon. Friend is making very clear the grave limitations of this Bill. Does he favour establishing a tax commission, with wide-ranging powers not dissimilar to those of the Law Commission, that would be able to advise the Treasury about tax? Or does he think that we are going down the right route by taking some steps towards simplification and that such advice should be given through the usual channels?

Mr. Gauke: My hon. Friend anticipates my next remark almost perfectly. I made the point on Second Reading that the tax law rewrite team is a very useful structure. It is a dedicated team consisting of HMRC staff and secondees. There is a steering group made up of Members of both Houses and accountants, lawyers and academics, and there is scrutiny by a Joint Committee, again made up of Members of both Houses, but it has a limited role, looking only at the drafting.

What we propose, and as was advocated by my noble Friend Lord Howe in his report last summer, is that we do exactly as my hon. Friend the Member for Cities of London and Westminster (Mr. Field) suggests and move towards expanding the remit of the tax law rewrite process or, to use the analogy of the Law Commission, that we move towards a body that is consistently looking at ways we can simplify our tax system, that we see that as a long-term objective that is clearly to the benefit of the UK economy, and that we therefore do not spend our time producing reports and new laws that have value, but are not as valuable as they might be if we made a proper attempt at rewriting our tax law to make it much simpler.

The administration of tax law and the complexity of tax law are important issues. The tax burden is enormously important, but the way our tax law works is proving to

be a disadvantage to the UK. We could once be proud of our tax law, but I fear that that is not the case any more.

In conclusion, we support the Bill. We note that it adds to the length of our tax code, but the attempt at greater clarity is to be valued. The Bill does not do all that it could do. We would benefit hugely from greater simplification of corporation tax. The Bill does not provide that, so it is of more limited use than it might be. I urge the Government once again to examine the process whereby tax law is made. A permanent body seeking to achieve greater simplification would be of enormous benefit to the UK.

5.53 pm

Mr. Jeremy Browne (Taunton) (LD): I am grateful for the opportunity to contribute briefly to the debate. So far everyone who has spoken also contributed to Second Reading, so I shall not detain the House for longer than necessary by going over too much ground that has already been covered.

I, too, place on the record my congratulations and appreciation to Lord Newton of Braintree and others, including outside experts, who contributed to the process and gave a great deal of their time and expertise to assist British business directly by seeking to simplify the corporation tax code. Like the hon. Member for South-West Hertfordshire (Mr. Gauke) and no doubt everyone who participates in the debate, I welcome all attempts to consolidate our corporation taxes, to make the system easier to digest and to simplify the structures.

I accept that, as was pointed out on Second Reading, we are unlikely ever to reach a situation where the corporation tax code, the rules and regulations, are easily understandable for the man and woman in the street. One could argue that if they were easily understood by the layman, they would probably be insufficiently detailed to serve their function. Nevertheless, it is helpful to have a system that is as simple as possible. That must be good for business at a time when it is seeking to minimise overheads. In legislative terms, it must be good that we do not have to employ, at great expense, huge numbers of people with great expertise, in both the public and private sector, to try to understand what the law means and how it applies to the companies affected. That is not productive endeavour. It is not a wealth-creating process, but all businesses and Government have to participate in that exercise. To the extent that it can be minimised consistent with keeping the law fair in its application, we would all welcome that.

There is still a long way to go. The United Kingdom has the longest tax code in the world. There are five volumes of the Bill and four volumes of explanatory notes. There are 1,330 clauses divided into 21 parts. Following the intervention from the right hon. Member for Wokingham (Mr. Redwood), I calculated that if there are 21 days between the law coming into effect and possibly being overtaken by events when the Chancellor delivers his Budget in the House, there would be one part to digest every day over the sadly brief three-week lifetime of the Bill—roughly 60 clauses a day with which tax lawyers and accountants had to familiarise themselves before the law potentially became redundant.

Even in its consolidated form, the Bill is an enormous piece of legislation. There are four schedules divided into 25 parts, the contents list alone is 63 pages long, and at least 33 Acts of Parliament and 16 statutory instruments are affected by it. The table of origins, which details the origin of all the provisions, is 174 pages long, and the table of destinations, which details whether a provision has been rewritten or repealed, is 196 pages long. It is a huge work, which shows what an achievement it was that those experts managed to get to grips with it at all. The idea that as a result we have a tax code that is simple is far from the truth.

I finish with an observation from the CBI tax task force, which I quoted on Second Reading. It stated:

"It is ironic that what has followed"—

since the first Budget of the former Chancellor, now the Prime Minister—

"has been a decade characterised by unprecedented legislative change in the UK corporate tax system, much of it characterised by a high degree of complexity and inadequate consultation."

Inasmuch as the work under discussion today is designed to address that problem, it is welcome, but I fear that I share the instincts and observations of many hon. Members when I say that there is much work still to be done.

5.58 pm

Sir Peter Viggers (Gosport) (Con): The Bill is important because, as the Corporation Tax Act 2009, it will be the Act that students and practitioners will have to study in future. I hear the right hon. and hon. Members who point out that the Budget of 22 April will overtake some of the contents of the Act, as it is to become, but the Act will endure on the statute book and the Budget of 2009 will only make some changes to it.

The procedure is unusual, as has been commented. The Bill was referred to a Joint Committee on Tax Law Rewrite, which I chaired, of hon. Members of this House and Members of the other place. We received a memorandum from the tax law rewrite project team, to whom I join in paying tribute, and we took oral evidence from it. We satisfied ourselves that there had been extensive consultation with representative bodies, and we satisfied ourselves by inquiry that the 106 changes in tax legislation were properly accommodated. The legislation that we are considering is part of the rewrite of corporation tax law, income tax law having already been rewritten. As the Financial Secretary pointed out, the income tax legislation is in rewrite form, whereas the corporation tax legislation is now moving into rewrite form. A second corporation tax Bill is to come before us later this year, followed in due course by a further Bill to deal with international aspects of the law.

This Corporation Tax Bill deals mainly with income, while the second one later this year will deal mainly with allowances. We on the Committee satisfied ourselves that the House of Commons would have the power to amend the legislation and the ability to scrutinise any changes that had occurred. We satisfied ourselves generally that the Bill should be passed by the House of Commons. I join my hon. Friend the Member for South-West Hertfordshire (Mr. Gauke) in saying that the emphasis among legislators and professionals is always to programme towards complexity, whereas the consumer's voice would no doubt plead for simplicity, if possible. I add my voice to my hon. Friend's in pleading for simplicity wherever possible.

The hon. Member for Taunton (Mr. Browne) referred to the Bill's 1,330 clauses, 63 pages of contents, 174 pages of tables of origins and 196 pages of tables of destinations.

[Sir Peter Viggers]

I intend to submit it to the "Guinness Book of Records" as the longest Bill ever, a position that it has taken from the Companies Act 2006. There is, however, a rival: in 1821, this House passed an Act written on 757 membranes of vellum; it would have stretched for 348 m or 382 yd. I suppose one could claim that that Act holds the record, although I would maintain that, having been written on membranes, it is not entirely comparable.

I confirm that the tax rewrite Committee carried out its duties in the proper form, and I join those who have spoken in this brief debate in commending the Bill to the House.

6.2 pm

Mr. John Redwood (Wokingham) (Con): I have declared in the Register of Members' Interests that I am a company director, although obviously I am not pursuing those interests in these remarks. I wish to talk about the general impact of this style of legislation on the business community and to ask the questions that underpin this debate. Is length a good thing and a simplification in itself because it makes things clearer, or is it a good thing because it provides plenty of opportunity for advisers to make an honest living from giving advice on the lengthy legislation that we see before us?

Colleagues have mentioned the fact that this Bill involves 821 pages of law and 1,330 clauses—it is a blockbuster of a Bill. We have now heard from my hon. Friend the Member for Gosport (Sir Peter Viggers) that it is only part of the corporation tax framework and that, having had this wonderful Bill, we can look forward to an exciting sequel to deal with allowances, which relates to taxing the income of companies.

I pay tribute to my hon. Friend, because he and his colleagues have worked extremely hard, and I am sure that they have done a good job within the framework laid down by the consensus. In this Third Reading debate, we need to ask ourselves whether this style of revision and legislating is a worthy way for certain colleagues to spend a lot of legislative time—the rest of us spend rather less—and whether it results in a simplification that will make a material difference.

Like my hon. Friend the Member for South-West Hertfordshire (Mr. Gauke), I am worried by the exodus of quite a number of companies from this country. They complain about not only the level of company taxation, but its complexity. That should be in our thoughts, given that we are in a competitive battle to keep and increase the number of jobs in this country; against the current background, we as legislators should have that in mind with everything that we do. Do we think that this blockbuster Bill will reassure people? If we pass it, will lawyers in leading companies who are thinking of emigrating seize it and say, "At last! Parliament has got the message. We now have a simple and comprehensible system of company taxation"?

David Taylor (North-West Leicestershire) (Lab/Co-op): The right hon. Gentleman is expressing concerns about the rationale of companies that move to other countries; it is hard to say whether that is due to high corporation tax or complexity. However, is he reassured by the fact that the majority of FTSE 100 companies pay nugatory or nil amounts of corporation tax?

Mr. Redwood: That may show that they have good tax advisers and are happy to stay here on that basis, or it may show that they are simply not profitable enough because of the general background. I understand why, unfortunately, a lot of companies will not be paying tax in future; it is because of the desperate conditions in which they find themselves.

We all want fair taxation at a fair level. If I were asked whether the complexity was more or less important than the rate, I would say that the rate is the most important thing. However, complexity is an issue, and complexity allied to too many changes or to too vicarious a system can be extremely worrying. A feeling has built up in some parts of the corporate sector. People are not sure what the law is. Furthermore, there can be changes, through the anti-avoidance and anti-evasion measures strengthened and taken by the Government—sometimes for good reasons—and through judicial or Revenue decisions that try to interpret the rather complex law. That combination of a rate that is no longer that competitive with the legal complexity and too many changes that people cannot understand or do not think were properly heralded, can create uncertainty and lead to companies leaving these shores.

My worry is that length and complexity go together. It is reassuring to hear the architects tell us that many people want the issues spelt out in detail and that that has now happened in lucid and clear prose so that people can relax and know exactly where they are. I confess that, probably in common with most speakers in this debate, I have read some but not all the Bill. Anyone trying to read it would rapidly come to the conclusion that it is difficult for anybody but an accountant specialising in corporation tax to understand what it means for any given business.

Let us look at clauses 190 and 191 on page 85. Clause 190 tries to give a basic meaning of "post-cessation receipt". It says that it means

"a sum…which is received after a person permanently ceases to carry on a trade, and…which arises from the carrying on of the trade before the cessation."

I can understand that. However, the clause goes on to say:

"In this Chapter, except in sections 194 and 195, references to a person permanently ceasing to carry on a trade include—

(a) in the case of a company, the occurrence of an event treated under section 18 of ITTOIA 2005 (companies beginning or ceasing to be within charge to income tax) as the company permanently ceasing to carry on the trade, and

(b) in the case of a trade carried on by a person in partnership, the occurrence of an event treated under section 246(4) of ITTOIA 2005 (basic meaning of "post-cessation receipt") as the person permanently ceasing to carry on the trade."

I shall spare the House clause 191, but it is another little gem, citing another series of sections of legislation to which the relevant people have to cross-refer. That little sample of the delights of this reading for insomniacs tells us that the Bill is certainly not a clear and lucid exposé that an intelligent, rational man or woman could read and immediately understand; they would still need to rush to their advisers to try to get to grips with it.

The Bill gets more exciting in parts; I did not quote one of the most exciting bits. Clause 479, for example, invites us to learn about

"non-lending relationships not involving discounts",

The mind boggles at what might be involved in one of those non-lending relationships, but, helpfully, we are told that

"A company has a relevant non-lending relationship if—

(a) the company stands, or has stood, in the position of a creditor or debtor in relation to a money debt,

(b) the money debt did not arise from a transaction for the lending of money…and

(c) the money debt is one of the kinds mentioned in subsection (2)."

We then go through five other subsections to clause 479 to try to wrestle with the complicated issue of what a non-lending relationship not involving a discount is. Having passed the GCSE, we can then go on to the scholarship—relevant non-lending relationships involving a discount. These are just samples to show that this law is getting exceedingly complicated.

One of the clauses that I most like, because it has a topical flavour to it, is clause 524—"Shares subject to outstanding third party obligations". I wonder if when that was written people had in mind our growing shareholdings in the British banking system. It says:

"This section applies to the share held by the investing company if it…is subject to outstanding third party obligations (see subsection (2)), and…is an interest-like investment…For the purposes of this Chapter a share is subject to outstanding third party obligations if…the share is subject to obligations of a kind specified in subsection (4)…the obligations are…obligations of a person other than the investing company, or…obligations of the investing company which, under any relevant arrangements, will or might be discharged directly or indirectly by any other person, and…the obligations are yet to be discharged…Accordingly, those obligations are the 'third party obligations' in the case of that share…The kinds of obligation"—

ones with which we are getting very familiar under this Government—

"are…an obligation to meet unpaid calls on the share"—

there will be plenty of those—

"and any other obligation to make a contribution to the capital of the issuing company that could affect the value of the share."

That is all too poignant and topical. Obviously, people had great foresight in putting in those provisions to deal with the burgeoning volume of cash that we, for no good reason, are tipping into banks that need to sort out their costs and lending policies rather more quickly.

I should like the Minister to respond to these points of principle about whether we need to continue with this kind of process in future. Perhaps my hon. Friend the Member for Gosport, who has worked valiantly, should be given a different remit on a future piece of legislation, whereby we would see that there is some connection between length and complexity and that the length of a Bill is not necessarily an indication that it is easier to understand or more likely to avoid all kinds of dispute. Lawyers are very clever people. Private sector lawyers tend to get paid rather more than parliamentary draftsmen and public sector lawyers trying to battle against them in terms of such legislation. Far from reducing the number of uncertainties, the longer the Bill, the more causes for action there will be. The more words there are in a Bill, the more it can be challenged in court and the fewer the people who know the true tax base of the country.

We are in danger of not being able to see the wood for the huge number of trees that have been felled to produce the paper for this legislation. I cannot believe that having 821 pages of law to do about the half the job on corporation tax represents the final statement on simplification. I live in some fear that once people have homed in and boned up on this legislation, some 22 days later the Chancellor may wish to make fairly big changes to it. Of course, I understand that it is a founding text for a period of years, but if Chancellors decide to make too many changes to founding texts, that has the added hazard of all the amendments and complications added on top of the 821 pages of law. Surely there is a better way. This will not be welcomed by the business community currently resident in Britain, and I fear that it is not the answer to those who are leaving this country saying the law is too complex.

6.13 pm

Mr. Timms: I welcome the broad support that has been expressed—

Mr. Deputy Speaker (Sir Michael Lord): Order. The Minister needs to seek the leave of the House.

Mr. Timms: With the leave of the House, Mr. Deputy Speaker; thank you.

I welcome the constructive comments made by those who have spoken in the debate. I am grateful for the broad, if not absolutely universal, support that the Bill enjoys. There has been well deserved recognition for everyone who has contributed to this work. I add my thanks to those that have been expressed to the hon. Member for Gosport (Sir Peter Viggers).

Let me respond to some of the points that have been made. It has been suggested that the rewrite goes only part of the way and that the underlying tax code should be simplified. We are, in fact, committed to simplification. There is a rolling programme in place, with reviews involving businesses and tax professionals and considering, for example, how corporation tax calculations and returns can be simplified for smaller companies and how to simplify rules on corporation tax for related companies. That work builds on recent reforms to the business tax system, and the rewrite complements our commitment.

The hon. Member for South-West Hertfordshire (Mr. Gauke)—I am grateful for his support—referred to the possibility of establishing an independent body to oversee tax simplification. When he made that point in the Second Reading Committee, I responded that in my view another layer of bureaucracy is not the way forward. However, we have already had that debate.

Comments were made about the length of the Bill and of tax legislation in general, to which I responded. I should, though, underline that in addition to making the legislation clearer, rewriting repeals a considerable amount of legislation. What matters most to businesses is not the number of pages in the legislation but the ease of using it. It may be some reassurance to the right hon. Member for Wokingham (Mr. Redwood) and others that in the assessment of the World Bank the UK compares very favourably with countries with shorter legislation. It says that a standard UK company spends less time complying with our tax system than a similar company in any other G7 country—105 hours in the UK compared with 119 in Canada, 132 in France, 187 in the United States, 196 in Germany, 334 in Italy and 355 in Japan. I hope that that makes it clear that in fact our legislation is much easier to use.

[Mr. Timms]

I am happy to put on the record again the reassurances that I set out in Committee, in response to the hon. Member for South-West Hertfordshire, about the circumstances in which the powers to amend legislation will be used. As with previous rewrite Acts, these powers will not be used unless the tax law rewrite project's consultative and steering committees agree that they should be.

The Bill makes things easier for everybody using this legislation: from small companies to large companies; from local accountancy practices to the large accountancy firms. I am grateful for the broad support that has been expressed and commend it to the House.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Business of the House

6.17 pm

The Deputy Leader of the House of Commons (Chris Bryant): I beg to move,

That, at this day's sitting, the Speaker shall put the Questions necessary to dispose of proceedings on:

(a) the Motions in the name of Ms Harriet Harman relating to membership of Regional Select Committees, not later than one and a half hours after the commencement of proceedings on the Motion for this Order; and

(b) the Motions in the name of Ms Harriet Harman relating to Green Book (Committee on Members' Allowances), Liaison Committee (Membership) and Pay for Chairmen of Select Committees not later than three hours after the commencement of proceedings on the Motion for this Order; such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved; proceedings may be entered upon or continue after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.

This is a very simple business of the House motion. It is a slightly different version from that which was tabled and on the Order Paper last night but was objected to. It allows one and a half hours for a single debate on putting the names of various Members of the House on eight regional Select Committees. This is normally done without debate at the moment of interruption, so it seemed to the Government that an hour and a half was a perfectly adequate amount of time.

Andrew Mackinlay (Thurrock) (Lab): Before my hon. Friend moves from the procedure relating to the motion on regional Select Committees, let me say that I am bewildered. Why have not the names of these Members been before the Committee of Selection? We have that Committee, which costs money and so on, but these appointments were never put to it—why not?

Chris Bryant: I think, if my hon. Friend will allow, that that is a matter for the next debate—*[Interruption.]* I am happy to answer the question; it is a very straightforward matter. The Committee of Selection does not come into play when it is a question of Members being put on a Committee by virtue of a temporary Standing Order. These appointments are made under a temporary Standing Order that lapses at the end of this Parliament; consequently, there is no need for them to go to the Committee of Selection. However, that is for the later debate, because this is merely about the business of the House motion.

A second period of an hour and a half is allowed for relatively minor issues that have been pressed on me by Members in all parts of the House, in one instance by the chairman of the 1922 committee. I hope that hon. Members will feel able to support the motion.

Question put.

The House proceeded to a Division.

Mr. Deputy Speaker (Sir Michael Lord): I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 281, Noes 217.

Division No. 50] **[6.20 pm**

AYES

Abbott, Ms Diane	Anderson, Janet
Ainger, Nick	Armstrong, rh Hilary
Ainsworth, rh Mr. Bob	Atkins, Charlotte
Allen, Mr. Graham	Austin, Mr. Ian
Anderson, Mr. David	Austin, John

Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Ms Dawn
Byers, rh Mr. Stephen
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connerty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davidson, Mr. Ian
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flynn, Paul
Follett, Barbara
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Ilsley, Mr. Eric
Ingram, rh Mr. Adam
Iranca-Davies, Huw
James, Mrs. Siân C.
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keen, Alan
Kelly, rh Ruth
Kemp, Mr. Fraser
Kidney, Mr. David
Killoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oiner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Claire Ward and Barbara Keeley

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter

Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Cormack, Sir Patrick
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorries, Nadine
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greenway, Mr. John
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Horwood, Martin
Howarth, David
Howell, John
Hughes, Simon
Huhne, Chris
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
Malins, Mr. Humfrey
May, rh Mrs. Theresa
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Öpik, Lembit
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Smith, Sir Robert
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Mr. Brooks Newmark and James Duddridge

Question accordingly agreed to.

Regional Select Committees (Membership)

6.36 pm

The Deputy Leader of the House of Commons (Chris Bryant): I beg to move,

That Mr David Drew, Linda Gilroy, Kerry McCarthy, Dr Doug Naysmith and Alison Seabeck be members of the South West Regional Select Committee.

Mr. Deputy Speaker(Sir Michael Lord): With this, we will take the following:

Motion 6—*Regional Select Committee (East of England)*—

That Mr Charles Clarke, Dr Ian Gibson, Patrick Hall, Margaret Moran and Mr Anthony Wright be members of the East of England Regional Select Committee.

Motion 7—*Regional Select Committee (West Midlands)*—

That Mr Adrian Bailey, Richard Burden, Mr David Kidney, Mr James Plaskitt and Joan Walley be members of the West Midlands Regional Select Committee.

Motion 8—*Regional Select Committee (South East)*—

That Ms Celia Barlow, Dr Stephen Ladyman, David Lepper, Gwyn Prosser and Mr Andrew Smith be members of the South East Regional Select Committee.

Motion 9—*Regional Select Committee (North East)*—

That Mr David Anderson, Mr David Clelland, Mrs Sharon Hodgson, Ms Dari Taylor and Phil Wilson be members of the North East Regional Select Committee.

Motion 10—*Regional Select Committee (North West)*—

That Rosie Cooper, Mr David Crausby, Tony Lloyd, Mr Eric Martlew and Geraldine Smith be members of the North West Regional Select Committee.

Motion 11—*Regional Select Committee (Yorkshire and the Humber)*—

That Mr Clive Betts, Mr Ian Cawsey, Mary Creagh, Mr Eric Illsley and Shona McIsaac be members of the Yorkshire and the Humber Regional Select Committee.

Motion 12—*Regional Select Committee (East Midlands)*—

That Mr John Heppell, Mr Bob Laxton, Judy Mallaber, Sir Peter Soulsby and Paddy Tipping be members of the East Midlands Regional Select Committee.

Chris Bryant: On 12 November last year, the House decided three things in relation to regional Committees: first, that there should be eight new regional Committees of the House, charged with examining regional strategies and the work of regional bodies; secondly, that each Committee should have nine members; and, thirdly, that the composition of regional Committees should be the same as that of every other Select Committee, namely in proportion to the political balance of the whole House. That means that the respective numbers for each party should be five Labour members, three Conservative members and one Liberal or minority party member of each Committee.

The regional Committees were set up under a temporary Standing Order that expires at the end of this Parliament, so it is for the Government rather than the Committee of Selection to put forward names for the Committees. That is in consequence of Standing Order 121(2). I hope that that is helpful to my hon. Friend the Member for Thurrock (Andrew Mackinlay), who raised the matter in the previous debate.

Andrew Mackinlay (Thurrock) (Lab): Not particularly.

Chris Bryant: It is as helpful as it is going to get.

Sir Alan Beith (Berwick-upon-Tweed) (LD): As the Deputy Leader of the House has had the opportunity to reflect since the House passed those motions, has it not occurred to him how absurd it would be to draft in Conservative Members from the south of England to fill places on the Committee that is responsible for the north of England region, or, as the motions before us would, draft in Labour Members including Parliamentary Private Secretaries to fill places in regions where Labour has very few Members?

Chris Bryant: No Labour Members are being put on the Committees tonight who are not from the relevant region. The hon. Member for Somerton and Frome (Mr. Heath) asked the Leader of the House about that in the debate on 12 November, and it is not for me to second-guess what the House decided then or produce another version of it. The House came to a view on the three matters that I mentioned, and it is therefore only right for the Leader of the House to introduce the appropriate motions to meet what we decided.

Julia Goldsworthy (Falmouth and Camborne) (LD): The Deputy Leader of the House said that the regional Committees will hold regional government agencies to account. Does he believe that there will be a conflict of interest if Parliamentary Private Secretaries sit on those Committees?

Chris Bryant: Having both been a Parliamentary Private Secretary and served on a Select Committee, I can tell the hon. Lady that there is no reason for a PPS's being unable to scrutinise regional policies fully and thoroughly. I think that she accepts that the point of the Select Committee structure is to have those who are not necessarily party spokespeople for an issue sitting on the Committees. I merely note that significant Front Benchers from the Liberal Democrat party and the main Opposition party serve on Select Committees. Consequently, I believe that it would be inappropriate for the hon. Lady to push her argument.

Mr. John Redwood (Wokingham) (Con): The north-east is the only part of the country that was allowed a vote on regional government, which was voted down resoundingly. What part of "no" does the Deputy Leader of the House not understand?

Chris Bryant: The motions are nothing to do with regional government. Regional development agencies and other regional bodies spend a large amount of money on behalf of the taxpayer and it is inappropriate, especially at such a time, for that money not to receive proper scrutiny and consideration by the whole House, not only individual Members in a region. We are considering parliamentary scrutiny of the work that goes on in the regions.

Andrew Mackinlay: I am told that the Clerk of the House has already written to those whose names appear on the Order Paper, summoning them to an inaugural meeting. It surprises me that the letter has gone out before we have made the resolutions, but I do not want

[Andrew Mackinlay]

to labour that point. When is it intended that the Committees should meet initially? What does my hon. Friend see in his mind's eye as the location and timing of the meetings? Will they take place on Tuesdays, Wednesdays or Thursdays—or, as I have been told, on Mondays or Fridays?

Chris Bryant: I have no idea about letters that the Clerk of the House may or may not have written—he has certainly not sent a copy of any such letter to me. However, it is for the Committees to decide when they meet. As I am sure that my hon. Friend knows—he has been here a long time—when a new Committee is proposed, the Member with the longest unbroken service in the House determines the date and time of the first meeting and takes the Chair until a Chairman is chosen. My hon. Friend asked when the Committees should sit—

Andrew Mackinlay: And where.

Chris Bryant: If my hon. Friend has a little patience, I will deal with each point in turn. He asked when the Committees should sit. That decision is entirely up to the Committees. That is the convention of every Select Committee and it would be wrong of me to tell any Committee how to conduct its business.

Mr. Edward Leigh (Gainsborough) (Con): Will the Deputy Leader of the House give way?

Chris Bryant: I will in a moment, but my hon. Friend the Member for Thurrock will get impatient if I do not answer his second question about where the Committees will meet. When the matter was discussed in November, many hon. Members suggested that it would make sense for regional Committees occasionally to meet in the relevant region. I hope that they will choose to do that, but it is up to them.

Mr. Leigh: I have spent my entire career in this place on Select Committees, and I am a committed supporter of them. Does the Deputy Leader of the House agree that their structure depends on consensus between the parties?

Chris Bryant: I sat on the Culture, Media and Sport Committee for four years and there were many matters on which we tried to proceed by consensus. However, occasionally, there was a complete divergence of view, for example, about the BBC licence fee. I fundamentally disagreed with the Committee Chairman, although he was in the same party. Select Committees should proceed on the basis not always of consensus but of independence of mind and thought, and on the ability of individual members to listen to the evidence and reach a conclusion based on it.

Mr. Leigh: I am talking about the structure, not the issues. Committees such as the Public Accounts Committee work because the parties agree about the structure. That is why the effort that we are considering is doomed from the start. *[Interruption.]*

Chris Bryant: The hon. Member for Somerton and Frome claims from a sedentary position that I do not understand the concept of Select Committees. I fully understand and support it. Select Committees are one of the great innovations in the House in the past 20 years. One has only to consider the work of the Treasury Committee in the past few weeks. It was able to do a job of scrutiny that could not be done in the Chamber. That is because Select Committees proceed with independence of mind. Individual members serve in their own right, can pursue the evidence to its logical conclusion and produce a report based on it. *[Interruption.]* I see another Select Committee Chair huffing and panting and waiting to intervene.

Peter Luff (Mid-Worcestershire) (Con): I am attracted by the thought of dragging a few bankers to the Bar of the House, but that is another matter. One of the many reasons for my opposition to motion 7 on the west midlands Committee is that it includes no Worcestershire or Herefordshire Members because the Labour party has no Members in those counties except for the two who are Ministers and therefore cannot serve on the Committee. I am a reasonable man—I may yet be persuaded of the case for the Committees, although I doubt it—so will the Deputy Leader of the House tell me when Worcestershire and Herefordshire Members can contribute to regional scrutiny through the regional Grand Committee route, which the Government are also establishing?

Chris Bryant: The hon. Gentleman, for whom I have great respect as Chair of his Select Committee, said that he may yet be persuaded of the merits of the motions. I suggest that he is being somewhat disingenuous—he nods. I remember his evidence to the Modernisation Committee, in which he said:

> "The practical considerations of the Select Committee model are not inconsequential, they are very serious indeed, and the pressure on MPs' time here at Westminster is also a factor we have to bear in mind."

I have known the tenor of the hon. Gentleman's views on regional Select Committees for some time. However, let me deal with his specific point that no one in the Labour ranks represents the two counties that he mentioned. There is a solution: the hon. Gentleman could have tabled an amendment to include Conservative Members on the Committee. We would then have full representation on it. I am grateful for his contribution to my speech.

Peter Luff: My intervention was probably too long, but its point was to ask when regional Grand Committees would meet. That could help tackle the problem.

Mr. Deputy Speaker: Order. I am conscious that the Deputy Leader of the House is responding to interventions, but it is not a general debate about regional Committees, Select Committees or Grand Committees. We are discussing the constitution of the Committees, the existence of which has already been decided by the House. I urge the Deputy Leader of the House to restrain himself, if he can, in responding to interventions that are not about the motions.

Chris Bryant: Thank you, Mr. Deputy Speaker. I can sometimes restrain myself. To reply to the hon. Gentleman's question briefly, the House took the view that regional

Grand Committees should sit in tandem with the Select Committees. Once the Committees are in place, we want to start considering dates for regional Grand Committee meetings.

Matthew Taylor (Truro and St. Austell) (LD): The Deputy Leader of the House understands that I oppose the principle of Committees that reflect the make-up of the House rather than the democratic will of the region on behalf of which they are meant to act. However, on the specific motions, his response about Parliamentary Private Secretaries was inadequate. Under the proposed system, one PPS in our regional Select Committee will be expected to scrutinise the work of, and possibly cross question, the Secretary of State for Transport, to whom she is PPS. Can that genuinely constitute adequate scrutiny?

Chris Bryant: I know that the Liberal Democrats have a difference of view—I accept that it is an honourable difference—about the composition of the Committees.

Alan Duncan (Rutland and Melton) (Con): And us.

Chris Bryant: The shadow Leader of the House says, "And us" in a slightly pipsqueaky way, but the Conservative party had a different difference with the Government. The Liberal Democrats' difference is that they believe that each Committee should reflect the political composition of the region. That has not been done historically in Wales, Scotland or Northern Ireland. The Committees are a way of providing parliamentary scrutiny of regional bodies. The majority of the scrutiny will be of the work of the regional development agencies, as many people said when the Modernisation Committee compiled its report. If individual Members feel that they have a conflict of interest, they must address that.

Mr. Andrew Pelling (Croydon, Central) (Ind): Why, as a London Member, should I vote for the motions when a delay persists in establishing a Select Committee for Greater London?

Chris Bryant: I cannot remember whether the hon. Gentleman wanted a regional Committee for London—

Mr. Pelling *indicated assent.*

Chris Bryant: He does. We want to make progress on that, but we have not yet been able to do so. We have consulted the London assembly, the Mayor's office and local authorities in London because we do not want to proceed in a way that does not work well with those organisations. We hope that a London committee will appear on the Order Paper soon, but that is not before us tonight.

Mr. Deputy Speaker: Order. The Deputy Leader of the House has again been tempted to talk about Committees that do not even exist yet.

Chris Bryant *rose—*

Sir Nicholas Winterton (Macclesfield) (Con): Will the Deputy Leader of the House give way?

Chris Bryant: I will give way as long as the hon. Gentleman is not going to tempt me.

Sir Nicholas Winterton: I cannot say whether I am going to tempt the Deputy Leader of the House. Does he accept that the matters that we are debating are House matters, not party matters? I therefore refer to the intervention by my hon. Friend the Member for Gainsborough (Mr. Leigh), who chairs the Select Committee on Public Accounts with distinction. Historically, procedures of the House and the setting up of Select Committees have been decided in this place on a cross-party and consensual basis. Bearing in mind the fact that there was a whipped vote on the Government side in last year's vote and the fact that we will clearly have a whipped vote tonight, is it not right that the Government should review what they are doing, which has only their support and not the support of the Opposition parties in the House?

Chris Bryant: The hon. Gentleman knows perfectly well that I respect the view that, wherever possible, we should proceed in House business on the basis of consensus. Consensus, however, presumes that everybody will agree, and there are areas where sometimes people disagree. Incidentally, several Opposition Members who are not in the Chamber now have approached me and said that they would dearly love to sit on a regional Select Committee—they cannot do so because their political party has not been prepared to propose names—because they would like to scrutinise some of the policies of regional bodies. It would be wrong of the Leader of the House now to present anything other than what was carried in this House on 12 November. The way to proceed with consensus is for the hon. Gentleman's party and the other parties in the House to propose their Members for the Committees as well.

Tony Lloyd (Manchester, Central) (Lab): Will my hon. Friend also confirm that it would be an unreasonable principle of parliamentary democracy if the search for consensus meant that the minority parties could block the demand from the majority parties for the proper scrutiny of the as yet not properly accountable structures of regional governance, particularly in the north of England? The issue before the House is the need for accountability of regional structures, not the posturing of the Opposition.

Chris Bryant: If I am honest, the most important thing in this debate—I am being tempted a great deal this evening, Mr. Deputy Speaker, and I will try not to stray any further—is the fact that there is a large amount of money and many issues, particularly in relation to the recession, that affect ordinary families in the regions of this country that need proper scrutiny by Parliament. The only way we have found of doing that is by bringing forward regional Select Committees.

Like the hon. Member for Macclesfield (Sir Nicholas Winterton), I, too, pay tribute to the Chairman of the Public Accounts Committee. He quite often comes up with reports that I profoundly disagree with—he did so when I was on his Committee, albeit briefly. However, he and the other Select Committee Chairmen who are here this evening show the strength of the system. I believe that once regional Select Committees are up and running, they will be effective. They cannot, however, be

[Chris Bryant]

up and running without members. We have obviously been unable to table names from those on the Opposition Benches this evening, although as I have said, we would be happy to do so. Indeed, we stand ready to do so if a damascene conversion happens in the next few days—I am looking at the shadow Leader of the House to see whether any such conversion is likely.

Alan Duncan *indicated dissent.*

Chris Bryant: What a shame. The hon. Gentleman lets us down every time.

We have, none the less, proposed names in order to fulfil the will of the House, as expressed last November, that in order to enhance the parliamentary scrutiny of regional bodies, their policies and expenditure should be accountable to regional Committees of the House. I will not go through each of the names that we have tabled. I merely note that there is considerable experience embodied in each Committee. There are two former Cabinet members, several prominent former local councillors and the admirable former Chairman of the Select Committee on Health, who I am sure knows, even if the hon. Member for Somerton and Frome (Mr. Heath) thinks that I do not, how the Select Committee process works. I am sure that they will do an admirable job.

Mr. Jeremy Browne (Taunton) (LD): Will the Deputy Leader of the House explain how the following conundrum in the south-west will work in practice? If all the parties propose Members, it seems entirely reasonable that Cornwall should be represented on the Committee for the south-west. However, all the MPs in Cornwall are Liberal Democrats. Under his structure, therefore, only one member of the south-west Committee would be a Liberal Democrat, despite the fact that the Liberal Democrats are the second biggest party in the region. Does that not strike him as a strange state of affairs?

Chris Bryant: The hon. Gentleman is simply going back to the point that I have already made to two of his hon. Friends, namely that he disagrees with the decision of 12 November. That decision was that we would have Committees that were composed in proportion to the political composition of the whole House, because we believe that the process is not about regional scrutiny, but about parliamentary scrutiny of the regions. We should follow the convention that the House has adopted heretofore in relation to Northern Ireland, Wales and Scotland, and have Committees in proportion to the whole House. That means that it would be enormously helpful—and a good idea for the people of Cornwall—if the Liberal Democrats were prepared to propose a member of that Committee. *[Interruption.]* I can assure the hon. Gentleman that two Liberal Democrats will never provide more interest and excitement than one.

The Select Committee system has been an immense success. We have seen the fruits of the system in recent weeks, through the work of the Select Committee on Treasury. *[Interruption.]* Now that I have started on the Liberal Democrat theme, the other point is that we would have two completely different views on the same issue if we had two Liberal Democrats—and probably two different views in the same hour from the same hon. Member.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD) *rose—*

Chris Bryant: We are now going to have a third view from the Liberal Democrats.

Sir Robert Smith: Does the Deputy Leader of the House agree that the suspicion that his members would be under some kind of Whip is being fulfilled by his point?

Chris Bryant: The hon. Gentleman makes a fair point. Touché.

Mr. Richard Bacon (South Norfolk) (Con): On having two views, the Deputy Leader of the House mentioned that he sometimes disagreed with the unanimous all-party reports of the Public Accounts Committee. However, I was quite surprised a while ago to see his name on a list as a Committee member, because in my seven years on the Committee I never saw him turn up once. Can he say how often he was there?

Chris Bryant *rose—*

Mr. Deputy Speaker: Order. Much as the Minister might want to defend himself from that intervention, I think that he ought now to get down to the motions before us.

Chris Bryant: I think that I probably ought to be sitting down fairly soon, Mr. Deputy Speaker.

I believe that the new Committees will play an important role in improving the scrutiny and democratic accountability of the public agencies and public bodies that operate in the English regions. We have enjoyed that in Wales.

Peter Luff *rose—*

Chris Bryant: I will give way finally to the hon. Gentleman, as long as it is a nice comment.

Peter Luff: I will try to make it nice. Earlier the Deputy Leader of the House invited me to suggest some names of Conservative Members from Worcestershire and Hereford who might serve on the relevant Committee. The trouble is that one is a Whip, while I am a Chairman of a Select Committee who does not have the time, and my hon. Friend the Member for Bromsgrove (Miss Kirkbride) is already on two Select Committees, because of the pressure of spaces. Requiring them to serve on yet another Committee would undermine the Select Committee system of which the Deputy Leader of the House speaks so warmly. He speaks in favour of the Select Committee system, but those nominations would undermine the process that he praises.

Chris Bryant: All I would say is that the Labour Members who have been prepared to put their names forward—there was competition in the Labour party to serve on the Committees—believe that the process is a priority, and they want to make it a priority. I completely understand—the hon. Gentleman made this point when he appeared before the Modernisation Committee—that there is intense pressure on right hon. and hon. Members' time. It is sometimes difficult to manage Public Bill

Committees and duties in the House and elsewhere. However, it is quite simply wrong that more than £2.3 billion should be spent by, for instance, regional development agencies, without any parliamentary scrutiny. We need to address that. Finally, without members, the Committees cannot exist and cannot do their work. I therefore urge hon. Members to support the motions before us.

6.58 pm

Alan Duncan (Rutland and Melton) (Con): I thank the Deputy Leader of the House for talking us through the supposed merits of the motions before us. I somehow feel that he cannot believe in his heart that what he is advocating is a good thing. The truth is that this is a pretty sorry moment for the House, and I am afraid that he will now be required to hear this pip squeak a little further on the matter.

What is before us this evening is a pretty mucky attempt to resuscitate a policy that is on the way out—in fact, I am not really sure that it was ever properly on the way in. This Government's regional agenda is in complete disarray and chaos. The motions this evening are the fag-end of the fag-end of the fag-end of a policy that will never properly get off the ground.

It has become obvious in the course of this Parliament that the Government's regional agenda was doomed from the outset. It arose out of the Government's document, "The Governance of Britain". I do not particularly admire that document; it contains some pretty simplistic, childish views, and one of its elements was the regional agenda.

Mr. David Clelland (Tyne Bridge) (Lab) *rose—*

Alan Duncan: I have hardly got off the ground, but I will give way.

Mr. Clelland: I am grateful to the hon. Gentleman. He suggested that the regional agenda was dead. If that is the case, why has his party appointed him to be a regional representative in the north-east?

Alan Duncan: I am not a regional—

Mr. Deputy Speaker: Order. I am prepared to allow the hon. Member for Rutland and Melton (Alan Duncan) some introductory remarks, because the Minister did exactly the same, but I hope that he will come back to the precise motion before the House before too long.

Alan Duncan: I am happy to concentrate exclusively on the motion. I hope that the hon. Member for Tyne Bridge (Mr. Clelland) will therefore forgive me if I write to him on the matter that he has raised.

We have before us the culmination of a process that was launched by the Leader of the House, who was initially against the regional Select Committees, but who was somehow, miraculously, persuaded to be in favour of them. Indeed, it was on her casting vote that the whole episode was launched. As many hon. Members have said today, this process has not enjoyed cross-party consensus from the start. The structure is enshrined in the motions before us, which nominate only Labour Members of Parliament to the Select Committees that are being set up.

None the origins of the structure has been accepted by the House in a unified way. In fact, most of the evidence involved was against it. My hon. Friend the Member for Mid-Worcestershire (Peter Luff) has clearly stated that most of the responsibilities to be considered by the Committees are already covered by our existing Select Committee system. Covering the regions with Select Committees is an extension that makes no logical sense. It will involve responsibilities that are cross cutting and messy, and it will place a strain on House resources. Let us take the north as an example. The hon. Member for Manchester, Central (Tony Lloyd) has now gone, but he was arguing that Ministers needed somehow to be held to account. The north—and the north-east in particular—is crawling with Labour Members, and if they cannot hold their own Ministers to account, they need to examine their own effectiveness as Members.

On the back of this agenda, the Government appointed regional Ministers, but no one really knows who they are, and we know even less about what they do. They were originally to be questioned in the House, but that has never happened. What are they doing anyway? In which Department do they sit? For what are they responsible? The document, "The Governance of Britain", says that regional Ministers, who are supposedly to be held to account by these Select Committees, do all sorts of important things. It sets out their responsibilities, stating that they "represent", "facilitate", "champion" and again "represent" various things in the document. But do they decide anything? No, they do not. These Ministers are fictitious Ministers, supposedly joining up the various tentacles of government and somehow making a Minister in one Department tie his or her decisions in with those of a Minister in another Department. The people who should be held to account, if that is necessary, are the Ministers who take those decisions, not these supposed facilitators who have no executive responsibility whatever. They are faux Ministers—false Ministers—and they do not really exist as Ministers at all.

In addition to the nonsense of regional Ministers, we have seen the collapse of the regional assemblies—another part of the great regional apparatus falling to bits. We are also seeing, as the shadow Leader of the House has said—

Chris Bryant: No, you're the shadow Leader of the House.

Alan Duncan: I meant the Deputy Leader of the House, although actually—no, my modesty has suddenly overcome me.

There is also disarray in the regional development agencies. Those bodies were originally business-led organisations set up to assist economic development, but they have gradually been seized by the Government and become an apparatus of government. Our proposal is to give a lot of their powers—15,000 houses to be built here and there, for example—back to the county councils as the proper planning authorities. At the moment, however, they are largely answerable to the Committee chaired by my hon. Friend the Member for Mid-Worcestershire, the Business and Enterprise Committee. The accountability of these various organisations is therefore already enshrined in the apparatus of the House.

Peter Luff: I am happy to endorse what my hon. Friend is saying, and it might be helpful for him to know that, this morning, my Committee agreed a report on the regional development agencies, which will be published shortly.

Alan Duncan: I am grateful to my hon. Friend for that intervention, because it illustrates powerfully the absurdity of the Select Committee structure proposed in the motion.

I should like to seek an assurance from the Deputy Leader of the House. Given that the proposed Select Committees are to be manned—or personed, or whatever the term is—only by Labour Members of Parliament, will he assure us that they are not simply going to go off on regional jaunts to seek regional headlines to assist the incumbency that they enjoy at the moment? We cannot have a Select Committee system like that, enjoying a budget and going off on jollies when its efficacy is being seriously challenged.

Mr. Redwood: My hon. Friend is making a powerful case. Does he accept that, in the south-east—a non-region that evokes no loyalty or sense of regionalism—we want to see the quangos abolished and any sensible powers and money given to elected local government, where an accountability structure is already in existence?

Alan Duncan *rose—*

Mr. Deputy Speaker: Order. May I say again that these matters have already been decided by the House? This evening, we are simply talking about the membership of the Committees before the House.

Alan Duncan: We are against supporting the nomination of Members to the Committees because we do not accept the structure to which they are being nominated. Indeed, it would be far better to have regional Grand Committees to which anyone who is elected in a region could go to argue their case. That would provide a far better structure than having five or nine Members holding a region to account.

Andrew Mackinlay: One of the reasons why I did not put my name forward goes back to the question that I raised earlier: when and where will the Committees meet? Mr. Deputy Speaker, if I invited you to join an organisation, you might say, "Andrew, I'd love to, but when does it meet?" That is the logical question, and unless or until someone knows—

Mr. Deputy Speaker: Order. I think that it has already been explained to the hon. Gentleman that those decisions would have to be taken by the members of the Committee. They cannot be taken until the Committee has its members, which is what is being decided tonight.

Alan Duncan: The creation of Select Committees to hold the Executive to account has been a positive development in the House. However, the original model was designed to ensure that the structure of a Select Committee shadowed, matched, mirrored and scrutinised a particular Department. So, for each Department of State, running through the ranks of Secretary of State and Minister and all the civil servants in that Department, there was a Select Committee to which those people would be accountable through investigations and reports. The structure of the regional Select Committees, however, fires off in all sorts of directions and is a complete administrative mess. To appoint Members of Parliament to the Committees, as is proposed in the motions, would be to enshrine an absolutely chaotic structure. They will not shadow any Departments, and they will fire in all sorts of directions in ways that will never come together.

When there is an imbalance in the House, as there is now—although I hope that it will swing the other way in due course—it is difficult for the Opposition, and particularly for a smaller party such as the Liberal Democrats, to find sufficient numbers of people to cover the ground, alongside all the other Select Committees and responsibilities involved. It is therefore unreasonable to have the number of Select Committees growing like Topsy, yet this measure would add eight to the existing number. It looks like a job creation scheme for Labour Members who seem not to have enough to do. At least the House took the decision not to pay the Chairmen.

Andrew Stunell (Hazel Grove) (LD): I am certainly following the hon. Gentleman's argument, and I support a great deal of it. However, his point about the Committees not being responsible for a particular Department, bearing in mind the kind words said about the Public Accounts Committee, seems a little wide of the mark. Surely it is proper for a Committee to look at all the areas of responsibility that fall within its domain.

Alan Duncan: But I do not think it would have the scope or resources to do that. The Public Accounts Committee has a large staff looking at the whole apparatus of Government and it can choose what to focus on, whereas a regional Select Committee has, let us say, 20 or so Government Departments to scrutinise. The idea that it can properly scrutinise all of those Departments in the interests of the region is, I believe, utterly fanciful.

Geraldine Smith (Morecambe and Lunesdale) (Lab): It is not that we Labour Members do not have enough to do; it is more that we do not have second jobs and outside interests that take up so much time, which prevent some MPs from doing their parliamentary duties in this House properly. It is those duties that MPs should be concentrating on—not on their outside interests.

Alan Duncan: One starting point to deal with that suggestion would be to see more people in this Chamber, doing their job, particularly on the Labour Benches, which are invariably empty. This Chamber is the central focus of central Government scrutiny, not some great structure of regional Committees that are spread so thinly as to be ineffective.

I shall not detain the House much longer. We think that this is a farce and, quite frankly, we do not want anything to do with it. We would be fully justified in voting against all eight motions consecutively this evening; we are sorely tempted to do so, but we are mindful of the business that follows, so we will not go the full distance. However, we certainly intend to test the feeling of the House in a Division.

It is clear that neither we nor the Liberal Democrats will nominate members from our respective parties to those Committees. That leaves them as Committees of Labour MPs alone and that illustrates the fact that the

Government's regional policy is in a state of collapse. Ministers have been created to serve a non-existent regional policy, and regional Select Committees have been created to scrutinise near-fictitious regional Ministers. That lays the farcical on top of the fatuous on top of the fictitious. As a monument to this Government, it is fitting that we say, "Bin the lot."

7.12 pm

Mr. David Heath (Somerton and Frome) (LD): There is probably no idea, however sensible at the start and however valuable it may be, that this Government cannot turn into a dog's dinner with their cloth-eared intransigence, their inability to give up even a scintilla of power from the centre and their inability to grasp the concepts of parliamentary structures and accountability and the will of the electorate in the regions of this country. That is precisely what the Government have done here.

The Government have taken something that could be argued to be a necessary part of our powers of scrutiny—to look at what is happening in these unelected quangos that spend so much of our money—and they have messed it up. We were going to get rid of the quangos. Let us remember the commitment given in 1997 by the previous Deputy Prime Minister to get rid of all these unelected quangos. It never happened; in fact, the quangos increased and spent even more of taxpayers' money without any scrutiny. The answer would have been to democratise the quangos, provide scrutiny at source and make them accountable to local electorates—but of course that has not happened. Instead, we have a body of governmental decision making and governmental spending that is not, I think, adequately scrutinised by the present departmental Select Committee structure.

There is an argument for having a Select Committee structure for the regions, but what did the Government do with that concept? They decided not to bow to the "will of the House"—a term that the Deputy Leader of the House keeps using when he says that this was a decision of the House. Well, yes, in arithmetic terms, it was a decision of the House, but it was a decision of Labour Members only—not a single Member of any other party supported them. When even the Modernisation Committee looked at this—

Mr. Deputy Speaker: Order. The hon. Gentleman has heard the remarks I made to earlier speakers, but he is dealing with the issues before us in a very broad-brush way. The House has decided on the matter in that it has brought us to where we stand this evening. I do not want to curtail the hon. Gentleman's remarks immediately, but I would be grateful if he would confine his remarks to the motions before the House as soon as possible.

Mr. Heath: I am most grateful, Mr. Deputy Speaker. I will soon reach the end of my opening and introductory remarks on the subject. I was hoping to point out to the House that the structure before us and the membership that we are appointing have come about as a result of a decision in the Modernisation Committee taken on the basis of the casting vote of the Leader of the House—a Minister of the Crown—because she was unable to secure the support of any other party. We are being asked to consider a structure that has no nominations from these Benches, no nominations from the Conservatives, and no nominations from Plaid Cymru, from the Scottish Nationalists or from independent Members of the House, because only the Labour party believed in the way these Committees were to be set up. We argued that they should be set up on a different basis. We argued—the Deputy Leader of the House was sensible and honest enough to say that this was a difference between us, which we have and will continue to have—that the people nominated to serve on these Select Committees should represent the political will of the regions they serve.

In one sense that is a political argument insofar as we wanted to reflect the political outcome of elections, but it is also an argument in favour of accountability. Without it, we cannot reflect the regions in the appointment of Members of this House to the Committees. Let us look at the most glaring examples. Some aspects disadvantage the Labour party: in some regions, there is an argument for having more Labour Members than are proposed in the motions. That would apply in several regions, but let me start with the south-west, as it is my region and I know it best, but also because it provides the most glaring example of the inadequacy of the Government's proposals.

The Government propose having five Labour Members in order to give the Labour party a majority in the south-west region and the west country, but does Labour represent the majority of seats in the west country? No. Does it represent the second largest party in the region? No. It is the third party in the south-west with just 13 seats in comparison with the Liberal Democrats' 16 seats and the Conservatives' 22. If the composition of the south-west region were properly arrived at, there would be four Conservatives, three Liberal Democrats and two Labour Members, yet we are to have five Labour Members, all serving mainly city constituencies, so they are not even capable of properly representing the different areas in the south-west.

As was mentioned earlier, if we were to appoint a Liberal Democrat on the south-west regional Committee, he or she would have to come from Cornwall—if Cornwall were to be represented at all. Somerset might well not be represented because there are three Liberal Democrats there. What is absolutely certain is that for Cornwall to be represented, there would be no representation for the constituencies of Somerset and Frome, Taunton, Yeovil, Mid-Dorset and North Poole, Bristol, West, Northavon, Cheltenham, Bath, North Devon, Torbay or Teignbridge. None of the Members from those constituencies could possibly serve on the Committee in order for Cornwall to be represented at all because of the five Liberal Democrat Members in that county. This is not a structure that can command any respect or credibility in the south-west.

Julia Goldsworthy: My hon. Friend has pointed out that the constituencies of the proposed Labour Committee members are predominantly urban. Has he also noted that four of the five represent just two cities in the south-west? The overall population of the region is 5 million, but the suggested membership is not representative of even the urban population, let alone the rural population.

Mr. Heath: It often seems to me, in my rural Somerset constituency, that the regional development corporation understands also only two cities in the south-west. However, that is no reason for the proposed composition of the Select Committee.

Sir Nicholas Winterton: I must say that, as a Conservative Member, I agree with what the hon. Gentleman is saying, but does it not demonstrate the totally inadequate way in which the Modernisation Committee, of which I am certainly the longest-serving member, considered the matter? I should add that the motion that we are debating emerged from that Committee as a result of the casting vote of the Chairman, who is a Labour Cabinet Minister.

Mr. Heath: Precisely. I think we would be debating very different proposals today had the Modernisation Committee done its job properly and presented sensible proposals to the House.

The Committee for the south-east is another glaring example, but different considerations apply in that instance. Its composition would benefit not the Liberal Democrats but the Conservatives. If properly represented on the Committee, the Conservatives would have six members. They would be in the majority, because the majority of constituencies in the region are represented by Conservative Members of Parliament. The Labour party should have just two representatives, but it is to have five. It is to have the majority in the south-east as well, because that is how the Government have decided to present their proposal.

Chris Bryant: I know that the hon. Gentleman was not a member of the Modernisation Committee, although other Liberal Democrats were. On 24 occasions the Liberal Democrats voted with the Labour Committee members. As the hon. Gentleman says, the main issue on which they disagreed with the Government was that of the proportion, but he has also made an assumption about the casting vote. Some may understand the casting vote to constitute a second vote for a member of the Committee, and that is the case in the House of Lords. However, as I am sure the hon. Gentleman knows, in the House of Commons it is only when there is equality of voices that the Chair has a vote.

Mr. Heath: I am grateful to the hon. Gentleman for that helpful exposition of what happened in the Modernisation Committee. The casting vote of a Cabinet Minister determined that the Labour party's view would prevail, and that the views of all the Opposition parties were to be disregarded.

When we debated this matter on an earlier occasion, I expressed a genuine fear that one of the consequences of the composition that the Government were proposing was that Labour members would have to be drafted in from other regions. The Government have avoided that—the names before us do not come from regions other than those that they would be asked to scrutinise—but the only way they could avoid it was by drafting members of the Government on to the Committees. So we are to have members of the Government—parliamentary private secretaries—scrutinising the Government.

My hon. Friend the Member for Truro and St. Austell (Matthew Taylor) drew attention to one of the most glaring examples of that, again in the south-west, where some of our biggest issues relate to transport. The second strategic route to the south-west, the improvement of the A303 and the electrification of the Great Western railway line are major issues of infrastructure which the Select Committee would have to consider, but we are to have the Secretary of State for Transport sitting on one side of it and his PPS sitting on the other, no doubt asking him searching questions about what they will have discussed earlier in the departmental office.

Mr. Bob Laxton (Derby, North) (Lab): Decisions on the big transport issues in the south-west, such as rail and road links, are almost always made by the South West of England regional development agency, and even when it does not make the decisions, huge influence is exerted on the decision-making process by the RDA.

Mr. Heath: And, it must be said, by the Secretary of State for Transport, who is to be represented on the Committee that is scrutinising him. However, that situation is not unique. I note that the hon. Member for Tyne Bridge (Mr. Clelland), who is present, is named as one of the members of the north-east regional Select Committee, and he is unique: he is the only one who is not a PPS. Four of the five Committee members are part of the Government, while the fifth, the hon. Gentleman, alone represents the independent voice of the north-east. The Deputy Leader of the House accepted that there might be conflicts of interest. Circumstances might arise in which all four PPSs had to leave the room and the hon. Gentleman would be on his own. He would be a splendid scrutineer on his own, but is that any way to set up a Committee of this House?

Sir Alan Beith: I am grateful to my hon. Friend for drawing attention to that point. Would it not be helpful if the Deputy Leader of the House presented an alternative motion allowing the only non-PPSs—the hon. Member for Tyne Bridge (Mr. Clelland), the hon. Member for Hexham (Mr. Atkinson) and me—to do the job? We could save quite a lot of money, and avoid the necessity for motions such as this.

Mr. Heath: That is a splendid suggestion, but I do not see any scrawled manuscript amendments being presented. Who knows, though? Perhaps a motion that we have not debated will be put to the vote later. These things happen in the House nowadays.

Sir George Young (North-West Hampshire) (Con): Is it not the case that when the PPSs withdrew, there would be a quorum problem?

Mr. Heath: There will be a quorum problem in any case, because there will be only five Labour members. The hon. Member for Thurrock (Andrew Mackinlay) made a valid point when he asked when and where the Committees would meet. Will they perambulate around the country? Will they meet at times when Parliament is not sitting? It will be extremely difficult for an assiduous parliamentarian to find time to go out to the regions in order to attend Committee meetings.

Stephen Williams (Bristol, West) (LD) *rose—*

Andrew Stunell *rose—*

Mr. Heath: I have a choice of hon. Friends to whom to give way, but I will give way first to my hon. Friend the Member for Bristol, West (Stephen Williams).

Stephen Williams: Does my hon. Friend consider that putting PPSs on Select Committees represents a change in Government practice? During my first two and a half years or so as a Member of Parliament, I was a member of the Education and Skills Committee and, subsequently, the Children, Schools and Families Committee. On each occasion that a Labour member of the Committee became a PPS, he or she had to withdraw from the Committee.

Mr. Heath: That is true. We used to have rules about these things. We asked the Government Chief Whip for a list of PPSs, and he was not prepared to provide one. Apparently it is a secret. That may be because there are so many resignations each day that the Government cannot keep up, but the fact remains that they would not provide us with a list of the PPSs who are currently serving in the Government so that we could do our research. We had to deal with each one separately.

Andrew Stunell: Does my hon. Friend agree that the appointment of PPSs may pose a further problem? It is not just a question of holding them to account at the main Committee meetings; all the informal and private meetings at which the Committee prepares itself for those meetings will be prejudiced and put at risk. It will be very difficult for any PPS to keep the necessary Chinese walls in place.

Mr. Heath: I think it will be very difficult for a PPS to do his duty both to the Committee and to his Minister. He or she will be privy to information that will be relevant to the Minister whom he or she serves; on the other hand, he or she will be privy to information from the Department that the Committee really ought to hear. If PPSs disagree with their Ministers, is that a resigning matter? Will they be forced to resign as a result of reports from their Committees? These are untested waters.

Sir Peter Soulsby (Leicester, South) (Lab): May I recommend to the hon. Gentleman an excellent Library note on the issue of PPSs serving on Select Committees? I came across it by chance recently. Although the hon. Gentleman is making much of the issue, if he reads the Library note he will discover that it is not a new issue but one with which the House has wrestled many times over the years, and that PPSs have sat on Select Committees under all Governments of different colours.

Mr. Heath: I do not believe that there has ever been a circumstance in which a PPS has been asked to scrutinise the work of the Department in which he or she serves. I honestly believe that that is the case, but if the hon. Gentleman has evidence to the contrary I shall be happy to hear it.

Sir Peter Soulsby: As the Deputy Leader of the House indicated earlier, in the event of such a circumstance arising, it would be easy for the particular PPS to withdraw and not to take part in the business. The overwhelming argument for having regional Select Committees is to scrutinise the work of regional development agencies, where PPSs would not be directly involved, would not have such a conflict of interest and would not need to withdraw.

Mr. Heath: If all we are doing is trying to provide democratic accountability for regional development agencies, let us do that and not go through this regional Select Committee system, which is supposed to deal with matters on a wider front; according to the Deputy Leader of the House, that is what this is all about. I must not be drawn on the functions of those Committees, because I would go wide of the motion, but I think I have made the point adequately about PPSs. It is a real concern. For that reason, if for no other, I recommend to my right hon. and hon. Friends that they do not support the motions.

It is simply unacceptable that we have these hole-and-corner Committees of Labour Members wandering around the country. They will be stuffed full of Government Members pretending to scrutinise our regional structures, but not doing so effectively—a cabal that will have no credibility, either in the House or outside, and no accountability, because it will not represent the wider region that it is purporting to represent.

It is a meaningless innovation that the Government are pushing ahead with without consensus, because they do not understand consensus, and without any understanding of accountability, because they never give away a scintilla of power. They have to control everything from the centre and from the Whips Office. It will not do for this House or for the regions of this country.

7.31 pm

Sir Nicholas Winterton (Macclesfield) (Con): I endorse everything that has been said by the spokesman for the Liberal Democrat party and by the Front-Bench spokesman for my party. In opposing the appointment of the Labour Members to these Select Committees, may I say that the departmental Select Committees do an excellent job? They could well undertake all the functions that will be carried out by the new regional Select Committees. As someone with some experience of Select Committees over many years, going back to the 1970s, I have to say that in recent years the departmental Select Committees and other long-established Select Committees of the House have on occasions found it very difficult to achieve a quorum. If we are going to establish another eight Committees that are manned, if I may use that phrase, only by Members—men and women of the House; the word "manned" covers that—there will be grave difficulty not only in obtaining quorums for the regional Select Committees, but in obtaining quorums for the departmental and other long-established Select Committees of the House.

I want to repeat this point, because I believe it is important that the history of the proposal be fully understood by the House and by those who will read the report of the proceedings of the House, referring not only perhaps to the vote in November but to the vote that will take place here tonight. The Modernisation Committee passed to the House the resolution for the setting up of regional Select Committees on the casting vote of a Government Minister—the Leader of the House. I personally believe, and I have studied the matter since the debate in November, that a majority of the evidence was against the establishment of regional Select Committees.

I have mentioned the difficulty of getting sufficient Members to serve on Committees or to turn up at Select Committee meetings. I must also point out, briefly, that

[Sir Nicholas Winterton]

the House is going to have to incur expenditure of more than £2 million at this time of financial difficulty. *[Interruption.]* Oh yes. It is indeed £2 million. That expenditure will be incurred to staff the Committees, to cover the costs of the Committees, the travel of the Committees and the expenses of the Committees. Even if it is just under £2 million, to my mind it is expenditure that we should not incur when the people of this country are having to face a financial crisis.

Sir Peter Soulsby: As one of the hon. Gentleman's colleagues on the Modernisation Committee, I too heard the evidence that was given to us. Does he recall that the overwhelming majority of that evidence was firmly in favour of the establishment of proper scrutiny at a regional level, and that the amount of money that he is talking about is very small compared with the £2.3 billion spent every year by regional development agencies alone?

Sir Nicholas Winterton *rose—*

Mr. Deputy Speaker: Order. Before the hon. Gentleman responds, I ask him to work out just how that point relates to the motion before the House and the membership of the Committees.

Sir Nicholas Winterton: I can say very clearly that every member of the regional Select Committee will incur expenditure. They will want to travel to the region that the Committee is supposed to represent and to cover. There will be travelling costs and accommodation costs. I also refer to the extremely heavy cost, much of it justified, of the excellent Clerks department that we have in the House, and to the fact that the Clerks are, rightly, very well remunerated staff of the House. There will therefore be considerable expenditure. I give way to the Deputy Leader of the House, who I am sure is going to try to correct the figures that I have cited.

Chris Bryant: I thought that I would. The hon. Gentleman is very kind. The figure that has been provided by the House is £1.135 million.

Sir Nicholas Winterton: Because they will come forward in due course, I was of course referring to the regional Grand Committees as well. I can say to the Members of the House, as I say to the Deputy Leader of the House, that I have never known an estimate of this House that has not been exceeded in the reality.

Andrew Mackinlay: I understand that the members of the Clerks department who have been selected to fulfil the clerkship of these Committees are double-hatted. I stumbled across this business—

Mr. Deputy Speaker: Order. I think that we are having enough difficulty establishing the membership from Members of this Chamber, without having to worry about the Clerks department.

Andrew Mackinlay: May I explain?

Mr. Deputy Speaker: No, I think that we will move on.

Sir Nicholas Winterton: I had hoped and felt sure that the hon. Gentleman was going to be helpful, but naturally, Mr. Deputy Speaker, your word is law.

Mr. Heath: I hope that I can be helpful. So that the hon. Gentleman can relate the figure that he has given to the membership that is before us, I can tell him that it works out at £50,000 per Labour Member, or £30,000 if we take the figure from the Deputy Leader of the House.

Sir Nicholas Winterton: That is a very helpful intervention, for which I shall be eternally grateful to the hon. Gentleman. It is entirely wrong that that expenditure per head should be incurred. Members have been nominated by some magic circle to regional Select Committees. It has been done by the Government party. It is extraordinary that, as we scrap the regional assemblies, we are setting up here in the House other bodies to supervise the regions. The assemblies originally comprised—this was the hope—people who were very knowledgeable about the given area, and had considerable business or local government experience. All these matters are much more relevant to local government than they are to the House.

Julia Goldsworthy: Is it not the case that the regional assemblies were abandoned because they were not directly accountable and were seen as too remote from the regions? Can the hon. Gentleman imagine why anyone would think that regional Select Committees were any more directly accountable, or any closer to the regions that they were supposed to scrutinise?

Sir Nicholas Winterton: In my long time in this House, I have never known the Liberal Democrats to be so helpful to a Conservative and Unionist Member. The hon. Lady's point is entirely relevant.

May I also say that I am a huge believer in this Chamber of the House of Commons? To my mind, this is the Chamber where Members of Parliament should be in attendance—I hesitate to use the word "manned" again, as I may upset the Deputy Leader of the House.

This proposal to set up the regional Select Committees will take away more Members—and there are few enough of them now—from the Chamber, which should be the core of the activities of a Member of Parliament. Perhaps, however, the Government want that, to enable them to get their ill-considered and badly debated legislation through the House even faster.

Andrew Mackinlay: Biblically, our Lord was only twice in two places at the same time, but what is going to be required of Members who serve on the Environment, Food and Rural Affairs Committee or the Foreign Affairs Committee and on a regional Select Committee at the same time? It is really a miracle.

Sir Nicholas Winterton: It is a miracle, and the hon. Gentleman has stolen my next three or four sentences, so I will not repeat what he has said. He is absolutely right, however: this Parliament will lose out by this proposal. I wish those on our Front Bench would vote against every motion on the Order Paper rather than take them all together, in order to show how much the people who are committed to this House disapprove of

what the Government are doing in its name. It is a shame and it is diabolical. It will be bad for the House; I strongly oppose it and will vote against it in the Division at the end of the debate.

7.42 pm

Sir George Young (North-West Hampshire) (Con): It is a pleasure to follow my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton), and I would like to add a brief footnote to the excellent points he has just made.

The Deputy Leader of the House put forward an argument in his opening speech about the legitimacy of Parliamentary Private Secretaries serving on these Select Committees. The argument he deployed was that, because Front-Bench Opposition spokesmen sat on Select Committees, it was legitimate for PPSs to do so, but there is a fundamental difference between a PPS and an Opposition Front-Bench spokesman, in that a PPS owes his loyalty to the Government, whereas an Opposition Front-Bench spokesman does not. Therefore, in terms of holding the Executive to account, it is simply not the case that a PPS can be equated with a Front-Bench spokesman. It is a fundamental misconception to put the two on a par.

My hon. Friend the Member for Macclesfield made a point about quorums, and there is at present a real problem with quorums on Select Committees. The Sessional Returns show the pressure that the existing Select Committees are already under, and that will be made worse by the appointment of eight more Select Committees. The Public Accounts Committee is, perhaps, the most prestigious Select Committee, and it had an average attendance of 47.2 per cent. In other words, for most of the time most of its members were not present. The Regulatory Reform Committee had a 42.3 per cent. attendance rate, and the rate for the Environmental Audit Committee was 44.5 per cent. Some Select Committees are at present having real difficulties in meeting their quorum, and that will be aggravated if Members who already sit on Select Committees are put on additional ones.

Two of the Members nominated for the south-east regional Select Committee are already on two Select Committees and their resources will, inevitably, be stretched even further. One Member who is already so heavily committed that he or she was unable to attend one of the 12 meetings of a Select Committee on which he or she already sits is being put on a regional Select Committee. In my Select Committee, a Member was unable to attend for a long time for the perfectly good reason that he was on another Select Committee that met at exactly the same time. There is a real risk that in trying to set up these regional Committees, we will undermine the good work of those Select Committees that are already up and running.

I understand the doctrine of the mandate. A resolution came from a Select Committee, the Government got a majority for that proposition in the House, and therefore they can go on. If we look at the votes on 12 November, however, a slightly different picture emerges. One resolution was carried by two votes—and I have to say to the hon. Member for Thurrock (Andrew Mackinlay) that if he had voted the other way on that one, there would have been a tie on the proportion of Members from each party representing constituencies in each region. The hon. Gentleman voted with my party and other parties on the pay of Select Committee Chairmen, but on some of the other ones I am afraid that he voted in the other Lobby.

There is a key difference between resolutions that deal with Select Committees and resolutions that are delivering the Government's manifesto. It is my experience that when reforms have been made to Select Committees and how they work, we have tried to do that by consensus and taking the other parties with us. There is a risk that, far from advancing the policy of the Government for the regions, having five out of nine Members, at best, going round the country, and all from one party, will do an injury to the vestiges of the regional policy that they still retain.

What the Government should have done was ask themselves, "With 15 months to the next general election, how important is it that we drive this reform through a divided House of Commons, and send Select Committees, with half their members not present, round the country, in the name of regionalism?" Would it not have been more sensible to have said, "Actually, we have other things to do at the moment. There are other ways of employing Members' time. There are other reforms in the House of Commons that have a greater priority. Therefore, we will just park this one and not proceed with it"? If the Government had done that, we would all have understood: we would have applauded the wisdom, and we would have recognised that they had reflected on the very narrow votes that took place on 12 November and decided not to go ahead.

When these Committees start their work, I wonder how many times they will meet. I also wonder what practical work they will be able to do between now and the next general election, without at the same time undermining—

7.47 pm

One and a half hours having elapsed since the commencement of proceedings on the Business of the House motion, the Deputy Speaker put the Question (Order, this day).

The House divided: Ayes 257, Noes 190.

Division No. 51] **[7.47 pm**

AYES

Abbott, Ms Diane	Berry, Roger
Ainger, Nick	Blackman, Liz
Ainsworth, rh Mr. Bob	Blackman-Woods, Dr. Roberta
Allen, Mr. Graham	Blears, rh Hazel
Anderson, Mr. David	Blizzard, Mr. Bob
Anderson, Janet	Bradshaw, Mr. Ben
Atkins, Charlotte	Brennan, Kevin
Austin, Mr. Ian	Brown, Lyn
Austin, John	Brown, rh Mr. Nicholas
Bailey, Mr. Adrian	Brown, Mr. Russell
Baird, Vera	Browne, rh Des
Banks, Gordon	Bryant, Chris
Barlow, Ms Celia	Buck, Ms Karen
Barron, rh Mr. Kevin	Burden, Richard
Battle, rh John	Burgon, Colin
Bayley, Hugh	Butler, Ms Dawn
Beckett, rh Margaret	Byers, rh Mr. Stephen
Begg, Miss Anne	Caborn, rh Mr. Richard
Benn, rh Hilary	Cairns, David

Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davidson, Mr. Ian
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Elman, Mrs. Louise
Engel, Natascha
Etherington, Bill
Fisher, Mark
Flello, Mr. Robert
Flynn, Paul
Follett, Barbara
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
George, rh Mr. Bruce
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keen, Alan
Kelly, rh Ruth
Kemp, Mr. Fraser
Kidney, Mr. David
Killoyle, Mr. Peter
Knight, rh Jim
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Malik, Mr. Shahid
Malleber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, rh Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Miliband, rh David
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oliver, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Pelling, Mr. Andrew
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Reynolds, rh Mr. Nick
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Snelgrove, Anne
Soulsby, Sir Peter
Speller, rh Mr. John
Starkey, Dr. Phyllis
Steele, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Watts, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Barbara Keeley and Claire Ward

NOES

Afriyie, Adam
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carswell, Mr. Douglas
Chope, Mr. Christopher
Clappison, Mr. James
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Nadine
Duncan, Alan
Elwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Gale, Mr. Roger

Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gidley, Sandra
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Grieve, Mr. Dominic
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holmes, Paul
Horwood, Martin
Howarth, David
Howell, John
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lloyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
May, rh Mrs. Theresa
McCrea, Dr. William
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penrose, John
Pickles, Mr. Eric
Price, Adam
Pugh, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Smith, Sir Robert
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Mr. Ian
Taylor, Dr. Richard
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waller, Mr. Robert
Watkinson, Angela
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Hywel
Williams, Mark
Williams, Stephen
Wilott, Jenny
Wilson, Mr. Rob
Wilson, Sammy
Wolverton, Ann
Wrixerton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George

Tellers for the Noes:
James Duddridge and Mr. Roger Williams

Question accordingly agreed to.

Ordered,

That Mr David Drew, Linda Gilroy, Kerry McCarthy, Dr Doug Naysmith and Alison Seabeck be members of the South West Regional Select Committee.

The Deputy Speaker then put the remaining Questions necessary for the disposal of the business to be concluded at that time.

REGIONAL SELECT COMMITTEE (EAST OF ENGLAND)

Ordered,

That Mr Charles Clarke, Dr Ian Gibson, Patrick Hall, Margaret Moran and Mr Anthony Wright be members of the East of England Regional Select Committee.—(*Chris Bryant.*)

REGIONAL SELECT COMMITTEE (WEST MIDLANDS)

Ordered,

That Mr Adrian Bailey, Richard Burden, Mr David Kidney, Mr James Plaskitt and Joan Walley be members of the West Midlands Regional Select Committee.—(*Chris Bryant.*)

REGIONAL SELECT COMMITTEE (SOUTH EAST)

Ordered,

That Ms Celia Barlow, Dr Stephen Ladyman, David Lepper, Gwyn Prosser and Mr Andrew Smith be members of the South East Regional Select Committee.—(*Chris Bryant.*)

REGIONAL SELECT COMMITTEE (NORTH EAST)

Ordered,

That Mr David Anderson, Mr David Clelland, Mrs Sharon Hodgson, Ms Dari Taylor and Phil Wilson be members of the North East Regional Select Committee.—(*Chris Bryant.*)

REGIONAL SELECT COMMITTEE (NORTH WEST)

Ordered,

That Rosie Cooper, Mr David Crausby, Tony Lloyd, Mr Eric Martlew and Geraldine Smith be members of the North West Regional Select Committee.—(*Chris Bryant.*)

REGIONAL SELECT COMMITTEE (YORKSHIRE AND THE HUMBER)

Ordered,

That Mr Clive Betts, Mr Ian Cawsey, Mary Creagh, Mr Eric Illsley and Shona McIsaac be members of the Yorkshire and the Humber Regional Select Committee.—(*Chris Bryant.*)

REGIONAL SELECT COMMITTEE (EAST MIDLANDS)

Ordered,

That Mr John Heppell, Mr Bob Laxton, Judy Mallaber, Sir Peter Soulsby and Paddy Tipping be members of the East Midlands Regional Select Committee.—(*Chris Bryant.*)

Select Committees (Chairmen), Liaison Committee and Green Book

8 pm

The Deputy Leader of the House of Commons (Chris Bryant): I beg to move,

That this House expresses the opinion that the Resolution of the House of 30 October 2003, relating to Pay for Chairmen of Select Committees (No. 2), should be further amended by inserting, after "(Select Committees related to government departments)", the words "Standing Order No. 152G (Committee on Members' Allowances)".

Mr. Deputy Speaker (Sir Michael Lord): With this we shall discuss the following:

Motion 14—*Pay for Chairmen of Select Committees (No. 2)*—

That the Resolution of the House of 30 October 2003, relating to Pay for Chairmen of Select Committees (No. 2), be further amended by inserting, after "(Select Committees related to government departments)", the words "Standing Order No. 152G (Committee on Members' Allowances)".

Motion 15—*Liaison Committee (Membership)*—

That the Resolution of the House of 13 July 2005 relating to Liaison Committee (Membership) be further amended in paragraph (2) by inserting, in the appropriate place, 'Committee on Members' Allowances'.

Motion 16—*Green Book (Committee on Members' Allowances)*—

(1) That the Green Book which was approved by this House on 22 January be amended—

(a) in Parts I to III, by substituting, for each reference to the Advisory Panel on Members' Allowances or to the Finance and Services Committee, a reference to the Committee on Members' Allowances, and

(b) in Part IV, by leaving out the definitions of "Advisory Panel on Members' Allowances" and "Finance and Services Committee" and inserting after the definition of "Civil Partner"—

"'Committee on Members' Allowances' means the Committee appointed under Standing Order No. 152G";

(2) That Standing Order No. 152G (Committee on Members' Allowances) be amended, in paragraph (1), by inserting after sub-paragraph (b):

"(c) to approve practice notes to be used in administering Members' allowances which may be issued by the House; and

(d) to determine (subject to any appeal to the Members Estimate Committee) the application of the rules in such individual cases as may be referred to them by hon. Members, in accordance with procedures prescribed by the Committee";

(3) That Standing Order No. 152D (House of Commons Members Estimate Committee) be amended, in paragraph (3), by inserting after sub-paragraph (d):

"(e) to consider appeals against determinations made by the Committee on Members' Allowances under paragraph (1)(d) of Standing Order No. 152G".

Chris Bryant: There are four motions before us in this debate, and I shall deal with them in reverse order.

Motion 16 amends the new Green Book that the House agreed on 22 January in one regard. The Green Book specifies that Department of Resources staff have the authority to administer the rules as set out in the Green Book, but that if any issue is unresolved

"the Member may ask the Finance and Services Committee to rule".

It also says that the Finance and Services Committee

"will agree Practice Notes which will be used by the Department in administering the rules".

In the debate on 22 January, the Chairman of the 1922 Committee, the hon. Member for West Worcestershire (Sir Michael Spicer), who is not in his place at present, asked whether this should not be altered in the light of the fact that on that same day we changed the Advisory Panel on Members' Allowances into a formal Committee of the House, with a clear remit to look at every aspect of Members' allowances.

On reflection, I believe that the Chairman of the 1922 Committee was right, for two reasons. First, as hon. Members will know, although the House of Commons Commission, chaired by the Speaker, is the overall supervisory body for the administration of the House, the House's expenditure is divided between two accounts, or estimates—to use the parliamentary jargon. The first, the Administration estimate, covers the costs of administration of the House. The second, the Members estimate, covers MPs' pay and allowances. Our Standing Orders state that the Finance and Services Committee oversees the Administration estimate and that the Members Estimate Committee oversees, naturally enough, the Members estimate. As the Finance and Services Committee has no remit under Standing Orders to look at the Members Estimate, which includes allowances, it seems wrong for it to have this new role in adjudicating on issue relating to Members' allowances.

Secondly, having just created the new Committee on Members' Allowances, it clearly makes sense to give it the full responsibility for these issues, and that is precisely what motion 16 does. That in no respect alters the duties, powers or responsibilities of the Committee on Standards and Privileges, nor of the Parliamentary Commissioner for Standards as set out in out Standing Orders. I hope that the Chairman of the Committee on Standards and Privileges will be content that the relationship between the two Committees will not leave hon. Members open to double jeopardy, or lead to the danger that the House cannot administer its discipline properly.

The other motions before us are also straightforward. Motion 15 would put the Chairman of the Committee on Members' Allowances on the Liaison Committee—a matter that I have discussed with the Chairman of the Liaison Committee, the Father of the House. Motions 13 and 14 would provide for the Chairman of the Committee to be paid, in common with all other Chairmen of Select Committees, other than the regional Committees, whose Chairmen will not be paid. I hope that the motions can be carried with little further ado.

8.5 pm

Alan Duncan (Rutland and Melton) (Con): I am grateful to the Deputy Leader of the House for explaining the motions so clearly. We are largely content with them, and I do not need to repeat what he said. They are largely consequential on the adoption of the new Green Book. They put the Committee on Members' Allowances into line with other Select Committees by providing for the payment of the Chairman and putting him or her on the Liaison Committee.

I wish to dwell on only one matter of detail—on which I agreed with the Deputy Leader of the House—to amplify the assurance that he has just given my right hon. Friend the Member for North-West Hampshire (Sir George Young) about the continuing and unchanged status of the Committee on Standards and Privileges.

The danger that loomed for a little while was that the potential reference to the new Committee of disputes between Members and officials of the House about what was a legitimate claim might somehow usurp the existing authority of my right hon. Friend's Committee.

The concern arises from the recommendation on the revised Green Book in the report by the Members Estimate Committee, which said:

"We recommend that, for disputes over what is an acceptable claim which cannot be resolved between officials and the Member concerned, the Member should be able to ask the Finance and Services Committee"

—now the Committee on Members' Allowances—

"to rule, and should have the option of appealing to the Members Estimate Committee."

The potential implication is that any such adjudication could be taken as final, and any dispute or complaint could not be referred to my right hon. Friend's Committee. The Deputy Leader of the House has made it clear that that would not be the case, and even though the Committee on Members' Allowances might have said that a Member's claim was justified, it could still go to the Committee on Standards and Privileges for its decision.

It is obvious that if a Member, having talked to officials and taken the issue to the Committee on Members' Allowances, had reached a conclusion on a matter, the Committee on Standards and Privileges would take that into account. Therefore, the effect could well be to weed out smaller disputes and resolve them at that level, thus avoiding complaints and investigations into Members on what may be honest differences about how the rules should apply.

My reason for mentioning this issue in further detail is to ensure that the House can enjoy clarity about the practice that it will now follow, and to ensure that those who observe our proceedings cannot deliberately make mischief by trying to play one Committee off against another. It is essential that the hierarchy of adjudication is understood by people inside and outside the House, and that no mischief can be made as a result. It should be understood that the first port of call will be the Committee on Members' Allowances, followed by some sort of appeal. That will largely be the case if a Member has submitted an invoice against their claim—in other words, it is a live issue rather than an historic investigation. In such cases, the Fees Office—as we used to call it, but it is now the Department of Resources or something—might say, "Hold on, you're over-egging it a bit, that doesn't fall within the rules." Such altercations can be resolved at that stage. We need to be clear that we are looking at a sensible ladder of adjudication in the event of disagreement.

Chris Bryant: The shadow Leader of the House is making some important and sensible clarifications. The one thing that is still important is that the Parliamentary Commissioner for Standards and the Committee should always be able to look at cases where there has not been full disclosure. An hon. Member might have been in a disagreement—the hon. Gentleman uses the word "altercation", but I shall call it a disagreement without fisticuffs—with the Department of Resources, and that might go on to the Committee on Members' Allowances and then to the Members Estimate Committee or the Commission. However, the commissioner and the Committee would still want to investigate all the facts in any disciplinary process. If there had been a failure of disclosure, no cover would be provided by the fact that one had been before one of the previous Committees.

Alan Duncan: The Deputy Leader of the House helpfully describes a possible set of circumstances in which these Committees would have to operate. The very short discussion that we have had has been helpful and I hope that it can lie on the record to guide people in the future so that they do not misunderstand our proceedings. I have nothing further to add and I hope that the House will adopt these motions tonight.

8.10 pm

Andrew Mackinlay (Thurrock) (Lab): I think that if you, Madam Deputy Speaker, look at the official record tomorrow, you, or any other observer, will note that neither the Deputy Leader of the House nor the shadow Leader of the House mentioned the contents of motions 13 and 14—*[Interruption.]* They certainly did not do so in substance, although the Deputy Leader of the House says that they did. I shall look at the record tomorrow.

Chris Bryant: I shall say it again for my hon. Friend, if he wants. Motions 13 and 14 would provide for the Chairman of the Committee to be paid, in common with all the other Chairmen of Select Committees other than the regional Select Committees. We need to have two motions because the first involves the House saying that we should do so while the second involves the Queen's assent.

Andrew Mackinlay: I intend to divide the House on this point, because I believe that it is wrong in principle. I explained to the right hon. Member for Islwyn (Mr. Touhig), who would be the beneficiary of the motions, that it was nothing personal. I hope that he and the House will notice that I have argued consistently against the growth of additional emoluments for other Members in this House. I see this as another increment, and it is extremely unhealthy. In November, the House was with me, by a majority of two, in preventing the payment to Chairpersons of the regional Select Committees. I was very pleased about that, and I think that it was right. We have to bring a halt to this. Although the motion is a one-off and relates to one particular chairmanship, it is simply wrong.

That matter goes to the heart of our democracy and is creating two tiers of Members of Parliament. I understand from an answer that I received to a parliamentary question that, from memory, some 160 Members are paid differently from Back Benchers. We have to put a halt to that. If I win tonight, it will be unfortunate for the right hon. Member for Islwyn, but we need to put on the brakes.

Mr. Hugo Swire (East Devon) (Con): I have no desire for the hon. Gentleman to be dazzled by my halo, but as the Chairman of the Speaker's Advisory Committee on Works of Art, I can tell him that there are some Committees of which it is a great honour to be Chairman and in which we are not remunerated at all.

Andrew Mackinlay: That intervention demonstrates how ludicrous it is that we are doing this without an overall plan or strategy. I am not saying, "Never." The

[Andrew Mackinlay]

hon. Gentleman is Chairman of a very important Committee. There are people who lead the Council of Europe delegation, which is a very substantial responsibility, who do not get any emoluments—

Alan Duncan: The shadow Cabinet.

Andrew Mackinlay: I was coming to the shadow Cabinet. In an earlier debate, I predicted that there would be a gradualist approach. It becomes compelling, because each time we add to the list there are greater anomalies. I have said before in the Chamber that the shadow Cabinet will seek such remuneration, that the Liberals will then say that that is unfair, and that the Council of Europe delegations, the leadership of the British-Irish parliamentary body, the leadership of the Organisation for Security and Co-operation in Europe parliamentary body and so on will follow. It has to stop at some stage.

Mr. Swire: I am rather in agreement with the hon. Gentleman, but does he not agree that it is even more important now, when we are being accused by the tabloid press and so on of having our noses in the trough at a time of an economic recession if not a depression, that we are creating yet another paid sinecure in the Palace of Westminster?

Andrew Mackinlay: Yes. I try to discharge my duties as a Back-Bench MP, as I see them—in a sense, I write my own job description—to the best of my ability. I believe that I work as hard and have as many difficulties, although they are different difficulties, as the Under-Secretary of State for paperclips and statutes, who would be paid under our system. The exception, paradoxically, consists of the Deputy Leader of the House and a few others. I was a trade union official and I believe in the rate for the job, and I am astounded that there are folk who are prepared to be Ministers without pay when others get it, but that is a matter for them. I want to stop the rot, the stealth and the salami-slicing whereby we are gradually raising the proportion of MPs who are paid more than others. I urge Members to reflect on that.

I hope that the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch, East (Rosemary McKenna) does not take it personally, but I understand that the Chairperson of the Committee of Selection already has the higher emoluments. I am open to correction on that point, but I cannot remember one hell of a row on the Committee of Selection and I am not sure that it sits for a very long time. I use that to buttress my case: there is no coherent logic to the question of payments. That is why we have to stop it now. A prudent and fair system might be for the appropriate Committees to reflect on this matter in time for the next Parliament, so that some sensible and fair decisions can be made.

I remember when we were discussing the principle behind these payments a year and a half ago, the hon. Member for Macclesfield (Sir Nicholas Winterton), who is not in his place, asked where else people did not get increments for their length of service. A case could probably be made for the length of service as a criterion—I want to make it quite clear that I am not advocating that, but we need to consider these issues. The chairmanships of Committees are, at present, largely within the patronage of the political party managements. The hon. Member for East Devon (Mr. Swire) does a fine job on our arts committee, and the role is not highly contested—in fact, nobody is more suitably qualified than he is by virtue of his previous employment and experience—but he has, nevertheless, been anointed by the movers and shakers in this House. The Deputy Leader of the House screws up his face at that, but I am being polite. There are movers and shakers in this House, and they are largely made up from those on the Front Benches.

The chairmanships of so many Committees are filled by people who hitherto were Ministers. It is a way of letting them down gently. We were told by many hon. Members that there needed to be an alternative career structure—I do not like the term—so that instead of becoming Ministers Members could aspire to be parliamentarians and Chairs of Select Committees and other Committees. That was going to be the alternative to people always wanting to be Ministers. There is no demonstration that that is happening. Indeed, the present incumbent of the very important post in the Committee on Members' Allowances is an ex-Minister. That is unhealthy. I am not prepared to acquiesce by my silence. It is unfair to Members and to the public, and it is time that we drew a line under this and got things right for the next Parliament.

Mr. Swire: Just for the record, I want to point out that I do not think that those from either Front Bench are ever involved in the selection of the Speaker's Advisory Committee on Works of Art. Indeed, we all serve at the Speaker's will.

Andrew Mackinlay: I fully accept that. Interestingly enough, I expressed an interest in joining this Committee, but once again I was not appointed. Just because I am paranoid, that does not mean that that they are not after me. There is always some discrimination when certain hon. Members seek appointments, based on a dislike of their conduct or style, or of what they say and how they say it. It is really unhealthy for the body politic and the democratic process in this House when Members are rewarded with sinecures and significant payments.

I intend to divide the House on this matter. I urge colleagues to join me in the Lobby to vote against the proposition that the hon. Member chairing the Committee on Members' Allowances should be paid. I oppose that, although I can see the compelling logic of motion 15, which proposes that he be on the Liaison Committee.

8.20 pm

Mr. David Heath (Somerton and Frome) (LD): There is no need to take long over this, but some important points need to be made. The exchange between the Deputy Leader of the House and the shadow Leader of the House was extremely helpful in setting out the anticipated relationship between the various tiers of appeal, and I shall be interested, Madam Deputy Speaker, to hear what the right hon. Member for North-West Hampshire (Sir George Young), the Chair of the Standards and Privileges Committee, has to say if he succeeds in catching your eye in a moment. However, I hope that what has been set out will satisfy him that the role of his

Committee remains clear and undiminished when it comes to investigating, and adjudicating on, hon. Members when they are in error.

We are only having this debate because of a minor error anyway, as the proposals that we are debating should have been included when we last discussed these matters. They were not and, although I can understand why they were overlooked, it is unfortunate that parliamentary time has to be taken up with consequential amendments to a package that the House has determined already. It is not my intention, therefore, to raise issues with the corrections and amendments—one might call them errata—that the Deputy Leader of the House has brought forward today, and I await the comments of the right hon. Member for North-West Hampshire on the matter.

I have to say that I agree with the point made by with the hon. Member for Thurrock (Andrew Mackinlay). This is a free-vote matter, and I shall not give advice to my right hon. and hon. Friends, but the hon. Gentleman knows that I have joined him consistently in the Lobby when it has come up. There is an expectation that more and more ways will be found to pay Members of this House on top of their parliamentary salaries. Very soon, we will reach the point where the only people in the House who do not receive a top-up of some kind will be the members of the two Opposition Front Benches—with the exception of the Leader of the Opposition and the Conservatives' Chief Whip and Deputy Chief Whip—the Deputy Leader of the House, and the hon. Member for Thurrock.

We will be the only ones on the basic salary, and we should be proud of that, although I am not sure that the system that I have described necessarily represents value to the House in terms of work rate, or a sensible way to use public funds. However, I am quite sure that the impression given to the public every time that we add another person to the list is that Members of Parliament are yet again feathering their own nests. That is something to be concerned about.

I have nothing against the right hon. Member for Islwyn (Mr. Touhig), who I am sure will do a very good job of chairing the Committee, but I am not sure that the new Committee's work is comparable with that of the departmental Select Committees. They meet probably twice a week to take evidence and do all the other work that they have to do, whereas the Committee on Members' Allowances will have an important but limited role.

The intention behind the Committee is to reduce the costs to the House, so it is a little odd that the very first action is to add another salary to those costs. Some people might see that as ironic.

Unlike the hon. Member for Thurrock, I am not persuaded that the Chairman of the Committee on Members' Allowances should necessarily be on the Liaison Committee. That Committee is becoming very big and extensive: its job is to co-ordinate the Committees of this House so that they do not fall over one another, but it has one other scrutiny function—to interrogate the Prime Minister of the day. I am not sure that adding to it more and more members who do not have departmental responsibilities is a good idea. We should be wary of simply accepting that anyone in this House who bears the title "Chairman" must join the Liaison Committee, because I am not sure that that is helpful for scrutiny or for the comparability of various roles in the House.

Even so, I am not going to argue about that or divide the House on the matter this evening but, if the hon. Member for Thurrock calls a Division on the question of pay, I shall join him in the Lobby because I think that this is a point about which we should put down markers. That is what I did earlier in respect of the regional Select Committees, and I have done so before when other Committee chairmanships have been added to the list. I feel that we are seeing a sort of creeping exceptionalism, in which the exception is proving to be the rule. I do not think that that is a sensible way for us to proceed.

8.26 pm

Sir George Young (North-West Hampshire) (Con): To pick up a point made earlier by the hon. Member for Thurrock (Andrew Mackinlay), I think that it would be difficult to say that every Select Committee Chairman shall be paid except this one. I understand where he and the hon. Member for Somerton and Frome (Mr. Heath) are coming from, but the principle has been conceded already. Moreover, I suspect that the new Committee will be quite important and busy, so it would be unfair to say that every Select Committee Chairman shall be paid but not the one who chairs the Committee on Members' Allowances. Therefore, if there is a Division, I shall be in the opposite Lobby from the hon. Member for Thurrock. That may not happen often. I welcome the appointment of the right hon. Member for Islwyn (Mr. Touhig) to the Liaison Committee. Many of the matters that we discuss may impinge on the responsibilities of his Committee and it will be useful to have him there.

I want to add a footnote to the very helpful exchange that we heard earlier, and to set out my concern when I saw what was on the Order Paper. Motion 16(2)(d) makes it clear that the Committee on Members' Allowances will determine

"'the application of the rules in such individual cases as may be referred to them by hon. Members, in accordance with procedures prescribed by the Committee'".

The question arises how that fits in with the existing procedure—what one might call the post-Nolan settlement, whereby we established an independent parliamentary commissioner reporting to the Standards and Privileges Committee, which published his findings on any complaint, along with the conclusions. At first sight, that sentence seems to take away from the existing Committee and the commissioner the responsibility for seeing whether the rules on allowances had been broken, and gives it to the new Committee—hence the concern that I expressed in the amendment that has not been selected.

It is important that the House of Commons retains those elements that we now have. Indeed, the other place may be looking at such a structure to resolve some of the difficulties—the Deputy Leader of the House is looking worried already. I give way.

Chris Bryant: I was not looking worried. I am never worried when the right hon. Gentleman is on his feet. I was merely going to say that some hon. Members may have misunderstood, possibly because there is an

[Chris Bryant]

element of ambiguity in motion 16, paragraph (2)(d). The expectation of the Committees that originally proposed the reference to

"the application of the rules in such individual cases as may be referred to them by hon. Members"

was not that one hon. Member would refer an issue about another hon. Member to the Committee, but that a Member would refer a matter relating to his own allowances. That is very different from the expectation in the case of the right hon. Gentleman's Committee.

Sir George Young: Yes, that takes part of the trick, but it does not resolve the fundamental problem. Even in those circumstances where a Member self-referred himself to the Members' Allowances Committee and got the go-ahead, there would still be the possibility of double jeopardy, to which the hon. Gentleman referred. The self-referring Member may well get the green light from the Members' Allowances Committee and go ahead. There may well be a complaint from a member of the public to the Parliamentary Commissioner for Standards, who may well feel that there is a prima facie case and go ahead. There is an element of risk of double jeopardy.

The answer is a good working relationship between my Committee, the commissioner and the new Committee, to make sure that we minimise the risk of double jeopardy. I personally welcome the establishment of the Committee, and I hope it will produce guidelines that clarify the rules and reduce the risk of Members making mistakes.

I was reassured by the statement of the Deputy Leader of the House on the record that notwithstanding anything that may be before the House this evening, the duties, powers and responsibilities of the Committee on Standards and Privileges or the Parliamentary Commissioner for Standards are not affected. It was enormously helpful to have that on the record, endorsed by my hon. Friend the Member for Rutland and Melton (Alan Duncan). That takes the trick.

There was concern on my Committee at the possibility of the Nolan settlement being picked away. Against the background of the assurances that I have been given, I am much happier than I was and I look forward to working with the right hon. Member for Islwyn and his Committee in driving up standards in the House.

Madam Deputy Speaker (Sylvia Heal): Does the Deputy Leader of the House wish to reply to the debate?

Chris Bryant: I think the House has heard quite enough from me today, Madam Deputy Speaker.

Question put.

The House divided: Ayes 242, Noes 73.

Division No. 52] **[8.31 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Ms Dawn
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Crabb, Mr. Stephen
Creagh, Mary
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davidson, Mr. Ian
Davies, David T.C. *(Monmouth)*
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Engel, Natascha
Etherington, Bill
Fisher, Mark
Flello, Mr. Robert
Follett, Barbara
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
George, rh Mr. Bruce
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, rh John
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kemp, Mr. Fraser
Kidney, Mr. David
Knight, rh Mr. Greg
Knight, rh Jim
Ladyman, Dr. Stephen
Lait, Mrs. Jacqui
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, rh Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Moffat, Anne
Moffatt, Laura

Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mundell, David
Munn, Meg
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Paterson, Mr. Owen
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Swayne, Mr. Desmond
Syms, Mr. Robert
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Trickett, Jon
Truswell, Mr. Paul
Twigg, Derek
Viggers, Sir Peter
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Wills, rh Mr. Michael
Wilson, Phil
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Young, rh Sir George

Tellers for the Ayes:
Chris Mole and
Ms Diana R. Johnson

NOES

Alexander, Danny
Amess, Mr. David
Binley, Mr. Brian
Bone, Mr. Peter
Brooke, Annette
Burt, Lorely
Cable, Dr. Vincent
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Clapham, Mr. Michael
Davies, Mr. Dai
Dodds, Mr. Nigel
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Flynn, Paul
Foster, Mr. Don
Gidley, Sandra
Goodwill, Mr. Robert
Gray, Mr. James
Hands, Mr. Greg
Harper, Mr. Mark
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Hollobone, Mr. Philip
Holmes, Paul
Hopkins, Kelvin
Horwood, Martin
Hosie, Stewart
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Hurd, Mr. Nick
Jones, Lynne
Keetch, Mr. Paul
Kirkbride, Miss Julie
Kramer, Susan
Lamb, Norman
Lancaster, Mr. Mark
Leech, Mr. John
Liddell-Grainger, Mr. Ian
Luff, Peter
McCrea, Dr. William
Mulholland, Greg
Mullin, Mr. Chris
Pelling, Mr. Andrew
Penning, Mike
Prentice, Mr. Gordon
Pritchard, Mark
Reid, Mr. Alan
Robertson, Hugh
Rogerson, Dan
Russell, Bob
Sanders, Mr. Adrian
Selous, Andrew
Simpson, David
Skinner, Mr. Dennis
Smith, Sir Robert
Stunell, Andrew
Taylor, Dr. Richard
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Widdecombe, rh Miss Ann
Williams, Mr. Roger
Willott, Jenny
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas

Tellers for the Noes:
Andrew Mackinlay and
Jim Dowd

Question accordingly agreed to.

Resolved,

That this House expresses the opinion that the Resolution of the House of 30 October 2003, relating to Pay for Chairmen of Select Committees (No. 2), should be further amended by inserting, after "(Select Committees related to government departments)", the words "Standing Order No. 152G (Committee on Members' Allowances)".

PAY FOR CHAIRMEN OF SELECT COMMITTEES (NO. 2)

Queen's recommendation signified.

Resolved,

That the Resolution of the House of 30 October 2003, relating to Pay for Chairmen of Select Committees (No. 2), be further amended by inserting, after "(Select Committees related to government departments)", the words "Standing Order No. 152G (Committee on Members' Allowances)".—*(Mr. McAvoy.)*

LIAISON COMMITTEE (MEMBERSHIP)

Resolved,

That the Resolution of the House of 13 July 2005 relating to Liaison Committee (Membership) be further amended in paragraph (2) by inserting, in the appropriate place, 'Committee on Members' Allowances'.—*(Mr. McAvoy.)*

GREEN BOOK (COMMITTEE ON MEMBERS' ALLOWANCES)

Resolved,

(1) That the Green Book which was approved by this House on 22 January be amended—

(a) in Parts I to III, by substituting, for each reference to the Advisory Panel on Members' Allowances or to the Finance and Services Committee, a reference to the Committee on Members' Allowances, and

(b) in Part IV, by leaving out the definitions of "Advisory Panel on Members' Allowances" and "Finance and Services Committee" and inserting after the definition of "Civil Partner"—

"'Committee on Members' Allowances' means the Committee appointed under Standing Order No. 152G";

(2) That Standing Order No. 152G (Committee on Members' Allowances) be amended, in paragraph (1), by inserting after sub-paragraph (b):

"(c) to approve practice notes to be used in administering Members' allowances which may be issued by the House; and

(d) to determine (subject to any appeal to the Members Estimate Committee) the application of the rules in such individual cases as may be referred to them by hon. Members, in accordance with procedures prescribed by the Committee";

(3) That Standing Order No. 152D (House of Commons Members Estimate Committee) be amended, in paragraph (3), by inserting after sub-paragraph (d):

"(e) to consider appeals against determinations made by the Committee on Members' Allowances under paragraph (1)(d) of Standing Order No. 152G".—*(Mr. McAvoy.)*

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

FEES AND CHARGES

That the draft Department for Transport (Fees) Order 2009, which was laid before this House on 22 January, be approved.

OFFICIAL STATISTICS

That the draft Official Statistics Order 2009, which was laid before this House on 28 January, be approved.—*(Mr. McAvoy.)*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)),

MANDATES OF EU SPECIAL REPRESENTATIVES

That this House takes note of an unnumbered explanatory memorandum dated 14 January 2009 from the Foreign and Commonwealth Office on European Union Council Joint actions extending the mandates of the European Union Special Representatives for Bosnia and Herzegovina, Kosova, Macedonia, the African Great Lakes and Sudan; and supports the Government's policy of extending these mandates until 28 February 2010.—*(Mr. McAvoy.)*

Question agreed to.

ESTIMATES

Motion made, and Question put forthwith (Standing Order No. 145),

That this House agrees with the Report [26 February] of the Liaison Committee.—*(Mr. McAvoy.)*

Question agreed to.

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Thursday 12 March, the Speaker shall put the Questions necessary to dispose of proceedings on the Motion in the name of Mr Edward Leigh relating to Public Accounts not later than three hours after their commencement or at six o'clock, whichever is the earlier; proceedings may continue after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.—*(Mr. McAvoy.)*

Private James Smith

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. McAvoy.)*

8.44 pm

Dr. Brian Iddon (Bolton, South-East) (Lab): Many tragic stories have emerged from the two world wars of 1914 to 1918 and 1939 to 1945. Unbelievable numbers from the British Commonwealth and other men and women from across the world were lost in these conflicts. In my opinion, they were all people of great courage who were willing to put their lives on the line for this country and for freedom from tyranny.

This is the tragic story of James Smith—Jimmy to his friends—who was born in 1891 at 77 Noble street, which today is in my constituency, and whose mother, Elizabeth, died just after he was born. He was brought up by his devoted maternal aunt, Eliza, and his uncle John in Great Lever in my constituency. Relatives John—known as Jack—and Freda Hargreaves live in Great Lever today. Jack's mother was Jimmy Smith's cousin. Jimmy's story was brought to me by Charles Sandbach and Bill Miles, who are interested in military history and who are campaigning to have Jimmy Smith's name added to the Bolton roll of honour, which is kept in the ceremonial entrance to Bolton town hall.

Mr. Jim Devine (Livingston) (Lab): As my hon. Friend knows, the same individuals have been involved in getting the name of someone from my constituency on a roll in that hall. He was 27 years old, and died in 1917, and it was not until the work that these people did in identifying where he came from and his family background that that soldier's name was proudly was put on the war memorial.

Dr. Iddon: I am grateful for that intervention; it is a story that has been told to me. Indeed, these two gentleman who are interested in military history made a one-hour film about a solider—not like the one I am talking about this evening—who went through the tragedies of world war one. It is a brilliant film that ought to have a wider showing than it has hitherto.

We want Jimmy to be remembered, along with his comrades, every year on Remembrance day. Jimmy was Charles Sandbach's paternal grandmother's uncle and Charles initially sought the help of my friend Councillor Frank White, former Member of Parliament for Bury and Radcliffe, who is currently president of the Bolton United Veteran's Association, formed in 1906 before the British Legion was established, the second of many such associations to be formed that still exist today.

Private James Smith was the subject of a play, "Early One Morning", written by Bolton playwright Les Smith and presented at the Octagon theatre in Bolton, with its first performance on 22 October 1998 to mark the 80th anniversary of the armistice. James Smith initially enlisted in the 1st Battalion Lancashire Fusiliers in 1910, just before his 19th birthday, to escape the grinding poverty in which he lived at that time. Although he hardly knew his father James William Smith, who remarried, Jimmy enlisted using his father's address in Noble street.

2022 Private James Smith trained in Egypt, then served in Karachi, India, before being recalled when world war one was declared. Among his many horrific experiences of that war was the Lancashire landing on

W beach at Gallipoli on the morning of 25 April 1915, when his battalion stormed a cliff bristling with Turkish machine guns. No fewer than six of his comrades won Victoria crosses before breakfast—still an all-time record for such awards. In scaling and taking that cliff, half the battalion were lost on that day.

After enduring the rest of that nightmare campaign, Private James Smith was evacuated in 1916 to France, where he joined volunteers in the 15th Battalion Lancashire Fusiliers, known as the Salford pals. With one good conduct badge at that time, he was soon in the thick of the action again and gained a second good conduct badge. Such were the losses on the Somme that infantrymen were regularly transferred from one regiment to another, and Jimmy was transferred to the 17th Battalion King's Liverpool Regiment, known as the 1st Liverpool pals, on 26 June 1917, with the rank of lance corporal. He almost lost his life in France on the Somme when, on 11 October 1916, a massive German artillery shell buried him alive on the Transloy ridge, with bits of his friends around him, and shrapnel created a large deep wound on his right shoulder. According to his sister, it was big enough to put a fist in. Fortunately, he was rescued and taken home to Townleys hospital in Bolton, but in a very poor mental and physical state from which he never recovered. The shocks and horrors of the battles that he had seen had damaged him to such an extent that he was clearly unfit for further service. Those who served with him were well aware of his condition. Today, we would recognise that Jimmy Smith was suffering from serious post-traumatic stress disorder. No such condition was recognised in the great war, and it was believed that soldiers could recover from shell shock of that kind.

Just 10 days after he returned to the front line, and clearly under a great deal of stress, Jimmy Smith volunteered to give up his stripe and became 52929 Private James Smith. Six days later, he left his post without orders. On 29 December 1916, Jimmy found himself before a field general court martial for a breach of military discipline. He was ordered to do 90 days' field punishment number one and lost one of his good conduct badges. On 15 July 1917, just before the battle of Passchendaele in the Ypres salient, he found himself before a field general court martial for a second time for going absent without leave. He was only 26 years old.

We believe that the court recognised that Private James Smith was in no condition to fight. It spared him a death sentence on that second occasion and ordered him again to do 90 days' field punishment number one, and he lost his second good conduct badge. Unfortunately, the Army never allowed Jimmy to complete that sentence, because the 17th Battalion King's Liverpool Regiment found itself at the Pilckem ridge, north of the famous town of Ypres. By that time, Jimmy Smith was so unwell that he could not function properly at the front, and his comrades knew it. They tried to ensure that he was given light duties, possibly out of the trenches, but to no avail.

On 30 July 1917, on the eve of the battle of Pilckem ridge, Jimmy had a breakdown and deserted his post without orders again. At 11 pm, he was seen 5 miles from the front, wandering about in the town of Poperinghe, where he was arrested. A doctor at a dressing station declared him fit for duty, and Jimmy was charged with desertion. While detained in the military cells at Poperinghe town hall, Jimmy was ordered to undertake a two-hour drill. He refused to march and was also charged with disobedience. That was the beginning of the end of Private James Smith. The plain fact is that at that time he should have not been in action but serving his third punishment.

On 22 August 1917, Jimmy found himself before a field general court martial for the third time in seven months. Major Watson, Lieutenant Pierce and Lieutenant Collins came to a unanimous verdict of guilty on both charges. At his trial, he was unrepresented, no defence witnesses were called and he never spoke a word. Jimmy accepted his fate without fear as he was sentenced to death. The court was well aware of his medical history and could have decided to transfer him to the Labour Corps, but no; instead, it decided to make an example of an experienced regular soldier, clearly suffering from serious shell shock having experienced horrors in several battles. The brigadier confirmed sentence on 22 August, the divisional commander on 28 August and the commander-in-chief Field Marshal Haig on 2 September.

Early on the morning of 5 September, a small patrol of soldiers from Jimmy's own unit entered a barn at Kemmel Château in Belgium to clean their weapons prior to re-engagement with the enemy. They were told that, first, they had a special duty to perform, and they were taken outside into a courtyard where they found their friend, Jimmy Smith, blindfolded and tied to an execution chair in front of a wall, with a white target pinned to his tunic, just above his heart. Protesting furiously to the commanding officer, the 12-man firing squad—11 privates and a non-commissioned officer—was summarily ordered to execute Jimmy. The lads aimed and fired, the majority deliberately missing the target. However, Jimmy was wounded, the chair was knocked over and he lay writhing in agony on the ground.

The young officer in charge of the firing squad was shaking like a leaf, but he knew now that he had to finish Jimmy off by putting a bullet through his brain with his Webley pistol. He lost his nerve, however, and could not fire the pistol in his hand as Jimmy continued to writhe in agony on the ground.

One of Jimmy's friends, 23643 Private Richard Blundell, who hailed from Everton in Liverpool, was then ordered by the commanding officer to take the Webley pistol and kill Jimmy. Jimmy's death was recorded on that day at 5.51 am. The 12 members of the firing squad were given 10 days' leave after that tragic event in the heat of battle. That was unusual.

Richard Blundell died in Liverpool 70 years later in February 1989, when he was well into his 90s. As he fell in and out of consciousness, his son William heard him utter the words, "What a way to get leave." Eventually the story that I have just told about Jimmy's execution emerged, and Richard Blundell's final request to his son was to seek forgiveness from Jimmy Smith's family for what he had done. His action on that morning in September 1917 had clearly been on his mind for 70 years. It was the first time that his family can recall his speaking of his experiences in the great war. The author of a book on the Liverpool pals had tried unsuccessfully to interview him about his experiences. In my view, Dickie Blundell also faced a life sentence, perhaps worse than the fate of Private James Smith—we will never know.

[Dr. Iddon]

For a long time after the great war of 1914-18, shame hung over the families of soldiers such as Private James Smith and their names were not added to those of their comrades on our war memorials or rolls of honour, or written into our books of remembrance. However, Mrs. Freda Hargreaves has told me that her family felt no shame and that they proudly owned a photograph of Jimmy, which stood over the mantelpiece for many years after the war ended.

After a long campaign, the Labour Government pardoned those soldiers who were shot at dawn, like Private James Smith in 1917. An amendment to the Armed Forces Bill was introduced in the autumn of 2006 to pardon 306 soldiers, and the measure received Royal Assent on 8 November 2006. I am pleased that several colleagues who played an important role in bringing that about are present in the Chamber, and I thank them for being here.

However, Private James Smith's name has still not been added to the book of remembrance in Bolton town hall, and I hope that my hon. Friend the Under-Secretary believes that it now should be. I believe that Jimmy Smith was the only soldier from Bolton to be shot at dawn in the great war. At least today we have recognised him for what he obviously was—by no means a coward, but an extremely brave soldier who was made seriously ill by his traumatic experiences in several battles in the great war. He is buried in the military cemetery at Kemmel Château in Belgium in grave M.25. On the grave are the words, "Gone but not forgotten". I hope that he will always be remembered by the people of Bolton and that his bravery will finally be recognised. In a different way, he also paid the ultimate price for the rest of us. He, too, laid down his life for our freedom, albeit in a different way.

As a footnote, I can tell my hon. Friend that tomorrow evening I expect that Bolton council will agree to add Private James Smith's name to the roll of honour, and that a ceremony will be held later this year. We have suggested that an appropriate date would be 27 June, which is armed services day.

Bolton council has let it be known that it is prepared to add any other names to its roll of honour that have been missing to date for any reason. I hope that my hon. Friend agrees that all local authorities should be encouraged to follow suit.

8.58 pm

John Reid (Airdrie and Shotts) (Lab): I was not aware of the subject of the debate until about 20 minutes ago. I heard the opening words of my hon. Friend the Member for Bolton, South-East (Dr. Iddon) as I left the Chamber, and came back precisely to identify myself with his comments.

I was the Minister who reopened the subject in 1997-98, and I remember it well. In all my years in Government and in the nine posts that I held, I cannot think of any more heart-wrenching task that I took on or was given to me. I personally examined about half the 306 cases, and I am eternally grateful to the officials who went through them, including my military adviser at the time, Simon Gillespie, who sat up, night after night, going through individual cases.

I will not rehearse some of the heart-breaking stories, but I will say this. First, recognising the suffering undergone by those who were executed at dawn and their families is in no way to minimise the equal sacrifices of those who went over the top. I believe that they were all victims. Secondly—this is the only respect in which I differ slightly from my hon. Friend—we should not issue a carte blanche condemnation of the military hierarchy. The truth is that there were some 30,000 cases that could have qualified for a death sentence, but 90 per cent. of those concerned did not receive one. Of the 3,000 who did, 90 per cent. of those sentences were commuted by the military hierarchy. The records were destroyed, I think in 1924. However, it is extremely likely that the reason why those 2,700 sentences were commuted and only 306 individuals were condemned to death—that is a large number, however, because it is 306 tragedies—is, I believe, although I cannot prove this because the evidence has gone, probably that in many cases the medical and the mental condition of the person who had been sentenced to death was recognised.

Dr. Iddon: If I gave the impression that I was being critical of the military at that time, it is the wrong impression. They were different times and they were difficult times. People were in the heat of battle and I recognise that they did what they had to do.

John Reid: Perhaps I phrased my comment wrongly. It was not meant as a vicarious criticism of my hon. Friend; it was about whether people recognised shellshock or post-traumatic stress, or whatever it was at the time. I believe that many people did, albeit not because of medical evidence, but because of their personal experience. I think that that is why 2,700 death sentences out of those 3,000 cases were eventually commuted.

Having said those two things, I do not think that there is any doubt that each case was a tragedy. I said earlier that I would not mention any of them, but two stick in my mind. The first involved a young boy in his teens whose last words were: "Don't tell my mother." Facing an execution squad, he could think only of the effect that it would have, not on him, when the bullets landed, but on his mother, when the word reached home. The second case was this. At the back of one of the files that I went through, I found, as latterly I found in my father's file—he fought in the second world war—a little bit for the soldier's will. Soldiers could leave all their worldly possessions in their wills. I recall that the total possessions of one of the soldiers who was executed were the three days' wages that he was owed up to the day of his execution, which he left to his fiancée in Northern Ireland. Such cases deeply moved me.

I was told on the highest legal advice at the time—I can say that now that I am not a Minister—that I could not give a legal pardon. As it was explained to me, I understand that it is impossible to give such a pardon, first, because there were no surviving witnesses, and secondly, because there was no real evidence to overturn a duly arrived at verdict. Thirdly, of those 306 people, even if there had been sufficient evidence in the numerous pages of brown foolscap paper—often they were not transcripts, but summary records of what had happened in the field general courts martial—we would have had to test perhaps 14 cases and left those in the remaining 280 to 290 cases re-condemned. I took the decision at

the time that we could not give a legal pardon, but that we should go as far as we could. I will return to that in a second.

I was very grateful to get a second chance at the Ministry of Defence some years later, when I returned as Secretary of State for Defence. During the interval between being Armed Forces Minister and being Secretary of State, I discovered that New Zealand had apparently managed to accomplish that which I had been told was impossible in Britain. Naturally, and in my normal delicate fashion, I interviewed some of my officials who were still there about why that which we had found impossible had been found possible elsewhere. We re-opened the inquiry, and I am glad to say that my successor, my right hon. Friend the Member for Kilmarnock and Loudoun (Des Browne), did a great deal of work on the matter as Defence Secretary. The result is as is known.

The reason that I am supporting my hon. Friend the Member for Bolton, South-East tonight is that even at the first stage, in 1998, when we were saying that there was no legal pardon available—I know that my hon. Friend the Member for Thurrock (Andrew Mackinlay) was deeply disappointed by that—I said that, although I found it impossible to give a legal pardon, we would redefine "pardon" as something other than a legality, and say that, in the eyes of all humanity in this country, those people who had suffered such a terrible fate would indeed be pardoned, in substance if not in legality. Subsequently, of course, we were able to add a legal pardon to that.

At that time, I did three things simultaneously. The first was to say that, as those people had been pardoned, their names should be added back into the books, and on to the memorials and cenotaphs. Secondly, I said that they should be recognised as victims of the great war, just as everyone else who had fallen in that war was recognised. In that way, their relatives would have a cloud lifted from them. Thirdly—although it was hardly noticed at the time—I announced the abolition of the death penalty in the British armed forces, which was enacted by the next Armed Forces Bill. Yet, some 10 years later, some of those names have apparently not been added back in that way.

I hope that what my hon. Friend said tonight was true, and that the case of Jimmy Smith is about to be rectified by having his name added back on to the memorials. I hope, moreover, that that will be an example for other councils and authorities throughout the country, and that they will now recognise what has been recognised over two stages in Parliament, over 10 years—namely, that the names should be added back and that the families involved should have no shame.

Having been a Minister, I now have this rare opportunity to say thank you to those who pricked the conscience of Ministers and cajoled, persuaded, drove and whipped them into line. That includes several Members who are here tonight. There cannot be many more worthwhile causes to which they could have applied their minds throughout that period, and I am delighted to be here tonight, no longer as a Minister, but as someone who is part of a group who fully support what my hon. Friend is asking for.

9.7 pm

Andrew Mackinlay (Thurrock) (Lab): I congratulate my hon. Friend the Member for Bolton, South-East (Dr. Iddon) on his debate. I mean it from the bottom of my heart when I say that he has written a page in Bolton's history tonight. One thing that emerged from the campaign to grant pardons, which lasted 14 years in this place, was the fact that this part of British history had been suppressed, and not explained. I believe that history has to be written with clarity and precision, and that includes the parts with which the establishment are unhappy and uncomfortable.

One of the delights of getting the pardons in 2006 was the fact that so many of our countrymen and women—and school students in particular—had learned more about the first world war as a result of the campaign. Through my hon. Friend, I want to congratulate Bolton council on its initiative. I have visited the town hall at Poperinghe, where this soldier's first trial took place, on many occasions, and I have seen a post of execution there. Many people were executed in Poperinghe town hall's courtyard. I have also been to Kemmel. I hope that those on Bolton council, and many of the schools there, will take that short trip across to Belgium, so that people can reflect on this soldier and the many others from the Bolton area who lie buried in sacred territory there.

Dr. Iddon: I have a great deal of respect for my hon. Friend, especially regarding the campaign we are discussing tonight. He might like to know that I intend to send this speech to the secondary schools in my constituency, so that they are made aware of a little part of their history.

Andrew Mackinlay: I think that that is a wonderful initiative, and I know that other Members of Parliament will want to follow suit in according respect to soldiers with roots in their constituency.

The Minister of State and his predecessor went to great lengths to mark the 90th anniversary of the Armistice—and they did so very successfully, as three veterans were in attendance. That means that this is not ancient history: those people, living beings from the great conflict, were actually there. My follow-up point—my hon. Friend's contribution this evening endorses it—is that just as the American civil war has become a part of the American psyche, so has the first world war become part of ours. The conflict in which the soldier we have commemorated tonight took part represents a seminal moment in our history. When this soldier went to war, there were cavalry participating and many of the combating forces wore bright uniforms; yet by the end of the war, we had seen weapons of mass destruction and bombers. At the same time, there was tremendous social change with the extension of women's suffrage and greater popular representation in this place after the war.

We cannot, therefore, overdo this issue. My hon. Friend has reinforced the importance of the first world war tonight—it is something we need to understand and we need to reflect more on the brave soldiers who fought just like the soldier from Bolton—so I would encourage the Minister to do more to widen access to information about world war one and to encourage school students to study it, to reflect on it and to commemorate the brave struggle of men who did their very best on behalf of their country in this most awful conflict, which still has its resonance today.

9.12 pm

The Parliamentary Under-Secretary of State for Defence (Mr. Kevan Jones): I congratulate my hon. Friend the Member for Bolton, South-East (Dr. Iddon) on securing

[Mr. Kevan Jones]

tonight's debate to highlight the tragic story of Private James Smith and on his campaign to press for the local authorities in Bolton to add this soldier's name to their book of remembrance. I also thank my right hon. Friend the Member for Airdrie and Shotts (John Reid) for his contribution and I pay tribute to his involvement in the process of finally getting pardons for these individuals. I pay tribute also to my hon. Friend the Member for Thurrock (Andrew Mackinlay) for his tenacious campaign to secure the pardons. I know that he worked closely with an old constituent of mine from when I was a member of Newcastle city council—John Hipkin from Walkergate in Newcastle, who wrote a book and was unrelenting in his campaign to secure the pardons.

In 1998, on the 80th anniversary of the Armistice, the poet laureate, Andrew Motion, wrote:

"Those guns may have fallen silent eighty years ago, but their echoes neither die nor even fade away".

I reflected on those words when, on the 90th anniversary last November, we witnessed a very moving ceremony at the Cenotaph at which the three surviving UK-resident veterans of world war one laid wreaths to commemorate those who lost their lives in that great war. Sadly, one of them has passed away since that commemoration.

There are few alive today who have personal memories of those who marched away to war, but never came back. However, across the UK, millions of men, women and—as my hon. Friend the Member for Thurrock said—children shared that poignant moment through the medium of television, and nowadays through the internet. I reinforce his point about ensuring that these tragic events are not forgotten and that future generations learn from them.

Clearly, the first world war is part of the UK's culture, which is not surprising. It represented war on an industrial scale, and I do not think that any family in any community throughout the United Kingdom was untouched. My office in the Sacriston community centre contains a list of names of the fallen in the small mining village of Sacriston. Anyone who looks at the list and notes the number of individuals who fell in that small community will appreciate that it must have had a devastating impact, which I do not think we can imagine in modern times.

We must not forget the events of that time. My hon. Friend the Member for Bolton, South-East has done two things tonight. Obviously he has raised a very important case, but, as the hon. Member for Thurrock said, he has not only put on record his tribute to this individual but raised a wider issue, and I thank him for that.

A part of my job that I find fascinating is the history of my Department, and the living history with which we are dealing today.

Mr. Devine: Speaking of living history, a constituent of mine, John Patterson, flew on 37 bombing missions in the second world war and ended the war flying around Africa with Lord Mountbatten. He now visits schools to explain exactly what things were like during the war: real live history. I do not know whether we have a checklist of such people who are still alive and can tell real stories, right up to this moment, including people who are serving in Afghanistan and Iraq. As a local Member of Parliament, I have no way of contacting those people. A checklist would preserve the memory of people who have been in combat, and allow some contact with those who are currently in combat.

Madam Deputy Speaker (Sylvia Heal): Order. I have no desire to take anything away from the valued work that those individuals have done, but I think the hon. Gentleman will have noted the title of tonight's Adjournment debate. Perhaps he will be able to raise his point with the Minister on another occasion.

Mr. Jones: I will of course follow your guidance, Madam Deputy Speaker, but my hon. Friend has raised an interesting point. My hon. Friend the Member for Bolton, South-East said that he would send copies of the report of tonight's debate to schools, with the aim of communicating the facts to future generations, and my hon. Friend the Member for Livingston (Mr. Devine) has spoken of veterans visiting schools to pass on their memories.

In Fromelles in northern France, the graves of 400 British and Australian soldiers were recently discovered. A project is now under way, involving the Australian Government and the Commonwealth War Graves Commission, to recover, identify where possible and rebury those remains in the first newly created CWGC cemetery since the second world war. That has stimulated a great deal of interest, not just in this country but, according to my Australian counterparts, in Australia as well.

Increased participation not just in the educational projects that have been mentioned tonight but in genealogy means that many relatives are researching their family histories and uncovering facts surrounding their forebears for the first time. Some of those discoveries have been disturbing, revealing executions during the first world war.

As my hon. Friend the Member for Bolton, South-East pointed out, some of the relatives knew the circumstances of their loved ones' deaths, and certainly did not see them as a cause for shame or any stain on the character of their families. However, I hope that the granting of the statutory pardon in November 2006 has ensured that relatives who did feel shame have experienced some relief, and have recognised that no shame attaches to any of the individuals who were executed or their families. The stigma of dishonour should have been well and truly lifted.

Those executions were tragic episodes, but as the hon. Member for Thurrock pointed out, they must be set against the unprecedented scale of the slaughter during the first world war. Granting the pardon may have little meaning for the individual men, but to the individual families it has meant a great deal.

Thankfully, public perception has changed. That is why, when we introduced the pardon in 2006, it was broadly welcomed by most individuals, although I recognise the strong disagreements that there have been about the issue over many years.

As my hon. Friend the Member for Bolton, South-East has said, Private Smith is officially commemorated by his headstone in Kemmel Chateau military cemetery. His name also appears on the Commonwealth War

Graves Commission "Debt of Honour" register. Additionally, symbolic wooden stakes are set around the "Shot at Dawn" memorial at the National Memorial Arboretum near Lichfield, Staffordshire. Those bear the names of British or Commonwealth servicemen executed during the first world war. I was privileged in January to visit that memorial. I recommend that hon. Members who have not had a chance visit the National Memorial Arboretum. The "Shot at Dawn" memorial is a simple but moving memorial. Private Smith is among those individuals who are commemorated there.

The Cenotaph, the nation's war memorial, bears only the inscription "The Glorious Dead" and the dates of the two world wars. No distinction is made in respect of race, gender, colour, creed, or place or circumstances of death of those whom it commemorates. So, too, in the thousands of cemeteries and memorials across the world, without distinction, the Commonwealth War Graves Commission officially commemorates all the men and women who died in the service of Britain and her empire during the first world war. Many do not appreciate that, from the outset, those who were executed by firing squad were commemorated equally with their comrades who died in other circumstances during the first world war. The commission provided identical graves and appropriate headstones for their graves. Some of those graves were lost later.

While commending any initiative that commemorates the sacrifices of those who served in Her Majesty's armed forces, it is important to understand that, beyond the official commemoration to mark a serviceman's final resting place, the Government do not have responsibility for either the funding or maintenance of many memorials such as the one at Bolton town hall. As my hon. Friend and many hon. Members know, there are around 70,000 war memorials in the United Kingdom and they take a wide variety of forms, including books, to which my hon. Friend referred, windows, lichgates, playing fields and buildings—even hospitals, chapels and community halls.

I know that the names of many of those executed men have already been added to many local war memorials as a result of local pressure or family initiatives. I think that that is appropriate; those individuals should be added to those local memorials. I fully support the inclusion of Private Smith's name in his local book of remembrance and I am very pleased to hear that Bolton council will agree tomorrow to add Private James Smith's name to that roll of honour. It is a fitting tribute that his name will be added to the roll of honour. My hon. Friend has paid him a great tribute tonight by speaking about him many years after his death and by putting him on the record of the House, so that future generations can not only read the debate but ensure that we do not forget about brave individuals such as Private Smith.

Question put and agreed to.

9.24 pm

House adjourned.

House of Commons

Wednesday 4 March 2009

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Consultative Group on the Past

1. **Mark Prisk**ard (The Wrekin) (Con): What timetable he has set for responding to the report of the Consultative Group on the Past. [259264]

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): I am taking time to reflect on the consultative group's detailed report, which deals with some of the most difficult challenges facing Northern Ireland today. We will need to hear the views from a wide range of people before making a response, and we will be interested in the conclusions of the Select Committee on Northern Ireland Affairs, which is also considering the report.

Mark Priskard: Does the Secretary of State agree that, by allowing the consultative group to define a victim in the way that it has, the natural scales of justice and, indeed, the moral order of life and death have been upset, and will he give a commitment to the House that he will not accept any recommendations that will cause further distress to innocent victims and reward those who have inflicted loss upon themselves?

Mr. Woodward: May I begin by paying tribute to the work of Lord Eames and Denis Bradley in producing this report? The matter we invited them to explore is extraordinarily challenging, and I am fully aware of the controversy that has arisen about some of the recommendations, not least on recognition payments, which, last week, as the hon. Gentleman will know, I made very clear that the Government will not accept. I am equally aware of the concern that has been expressed about the issue of so-called moral equivalence. Therefore, let me be very clear about one matter in this regard: any terrorist act is utterly reprehensible, and we can all acknowledge that terrorism has led to awful suffering in Northern Ireland, but we now need a way to move forward that meets the needs of victims and helps Northern Ireland society work towards a shared future, and that is why I made it very clear last week that the Government would not consider recognition payments.

Mark Durkan (Foyle) (SDLP): The Secretary of State will be aware of the conviction yesterday in respect of the murders nine years ago of Andrew Robb and David McIlwaine, but does he recognise that there are many outstanding questions in that case, which are typical of all too many other cases from the past, in terms of the need for both truth and justice? Those questions relate to the role of informers and agents and the readiness of the Chief Constable to go for public interest immunity certificates, rather than to pursue full investigation and proper prosecution in due time, leaving too much on the shoulders of families?

Mr. Woodward: First, may I join the hon. Gentleman in welcoming the conviction, which it is extremely important for us to acknowledge? Many issues to do with the past must be addressed in Northern Ireland. In putting all this into context, one of the most important things to say is that an enormous burden is placed on every family who lost a loved one in the course of the difficulties, and that is why, again, I say to the House that we will spend a long time reflecting on the proposals in the Eames-Bradley report. We will also look forward to the report of the Select Committee, whose Chairman, the hon. Member for South Staffordshire (Sir Patrick Cormack), I am glad to see is in his place. We have many lessons to learn from the past in Northern Ireland, and if we are to be able to move forward to secure an environment of lasting peace and prosperity, we must ensure that Northern Ireland is not held in the grip of its very troubled past, but finds a settled place for a settled future.

Sir Patrick Cormack (South Staffordshire) (Con): May I thank the Secretary of State for what he said about the work of our Committee? May I also congratulate him on ruling out the misjudged and mistaken recommendation on so-called recognition payments? However, the right hon. Gentleman will know that Lord Eames and Mr. Bradley appeared before the Committee last week and gave some extremely interesting evidence, and I hope he agrees that it would be a pity if their whole report is put on one side because of one particularly mistaken recommendation.

Mr. Woodward: I wholly agree with the hon. Gentleman's observations on the report. There is no question but that the report itself poses a number of challenges, and there are sections of it that will pose some communities greater difficulty than others. Nevertheless, the lesson of Northern Ireland is very clear: if we have political courage and leadership, and if we are able to confront the challenges, we will find a way through. That might take time, and it is appropriate sometimes to remember that time is our friend.

Dr. Alasdair McDonnell (Belfast, South) (SDLP): I welcome the Secretary of State's comments of appreciation on the work of the group and the individuals concerned. Does he accept, however, that his off-the-cuff dismissal on a radio programme of that one somewhat contentious recommendation, without giving it the due consideration it deserved, has, to some extent, belittled the work of that group and of those individuals?

Mr. Woodward: First, may I firmly underline again my thanks to Lord Eames and Denis Bradley for producing this report? It is important to remind the House that

not a single one of the recommendations in this excellent piece of work was simply dreamt up by Lord Eames or Denis Bradley one morning. Even the highly contentious recommendation of recognition payments, for which there is clearly no consensus, was something they had heard suggested from a number of people in the community, and not just from one section of the community. I do not believe that we dismissed it in an off-the-cuff way, because it was perfectly clear from the representations that were made, not just from one community but from across the communities, that there was no consensus on recognition payments.

This is a highly emotive issue, and we are all aware of the very understandable emotions that were invoked, so I do not wish to suggest in any way that it was simply an emotional response. Having said that, the group was asked to find a consensus on how to deal with the past but when it came to the issue of recognition payments, it was patently obvious—it was not an off-the-cuff decision, but a considered one—that there was no consensus on it and therefore it was entirely inappropriate to proceed with that recommendation.

Mr. Nigel Dodds (Belfast, North) (DUP): The Secretary of State has recognised the lack of consensus on the so-called recognition payments, which were obnoxious in drawing a moral equivalence between perpetrators and victims. Will he apply the same principle to the other recommendations of the Consultative Group on the Past: that there must be a consensus on the sensitive issues in that report? There are many concerns, particularly in the Unionist community, about not only the obnoxious recognition payments proposal, but other elements of the Eames-Bradley report. There should never be anything that presents an equivalence between victims and perpetrators, and the Secretary of State must take that need for consensus into account when acting on the other recommendations.

Mr. Woodward: I firmly recognise that the hon. Gentleman is absolutely entitled to his point of view, which I suggest to him is not one that is entirely shared across the House or across Northern Ireland. None the less, I respect the fact that his view is strongly and deeply held, although I would beg to disagree with some of his remarks and conclusions. It is clear to me that there is consensus in Northern Ireland on the need to deal with the past. There is clear consensus among many on another issue: to deal with issues of the past by public inquiries, which may lead to some £200 million being spent on one inquiry, deeply troubles not only this House—rightly—but many people in Northern Ireland who genuinely pose a question about whether the public interest is being served by the public inquiry. The Eames-Bradley group was right to address that issue, and it put forward proposals, which this House and those in Northern Ireland must now carefully consider.

Mr. Owen Paterson (North Shropshire) (Con): On 25 February, the Secretary of State said on the BBC online that

"it is an interesting idea, but very clearly the time is not right for a recognition payment."

Can he confirm that the time will never be right?

Mr. Woodward: I think that the hon. Gentleman needs to be extremely careful here, because it is very easy to pour scorn on the work of Eames and Bradley in relation to the concept of recognition payments. He should remember that they did not invent the concept themselves—that proposal was put forward not just by one individual, but by a number of individuals; it was put forward not just by one community, but by a cross-section of the community. Because the idea has failed to find consensus, it is right for the Government to say that, at this time, we rule it out. I simply say to him that he needs to listen to what people are saying and he needs to be careful about the conclusions that he is drawing, because there are people who hold a very deep conviction on the issue. I happen to disagree with it, but that does not mean to say that I am not prepared to listen.

Mr. Paterson: That was a very interesting reply. To pick up on the Secretary of State's answers to my hon. Friend and neighbour the Member for The Wrekin (Mark Pritchard), we on the Conservative Benches welcome the Secretary of State's decision not to go ahead with the payments, which we consider to be repugnant. To put it simply, does he agree that there can be no moral equivalence between the two little boys murdered in Warrington and their murderers?

Mr. Woodward: I am particularly aware of the two little boys murdered in Warrington, because the constituency is a neighbouring one to mine and it is an issue about which I know that not only the people of Warrington and Merseyside, but the whole House feels extremely strongly. I simply remind the hon. Gentleman of what Eames and Bradley rightly set out to do: to have the overarching objective of promoting peace and stability in Northern Ireland. As I have said, I personally have condemned totally the activities and consequences of terrorism in Northern Ireland. There is nobody in this House who would sensibly condone the behaviour of terrorists, and there must never be any possibility for us to do anything other than condemn it. But I say to him that we need to understand that there are many people in Northern Ireland who have strong views, and that it is important to listen and, having listened, to learn.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): The comments by the hon. Member for Belfast, North (Mr. Dodds) and others indicate the difficulties that lie ahead for the Secretary of State if he insists on proceeding on what he terms the basis of consensus. There was a broad consensus on recognition payments, and it was broadly opposed to them. He was right to abandon the proposal, but I hope that he will proceed with the remainder of the Eames-Bradley report, which is excellent in its conclusions. Does he agree that so-called moral equivalence is not what the reconciliation process is about?

Mr. Woodward: The hon. Gentleman puts his finger on the key word of the Eames-Bradley report—reconciliation. They rightly understood that they needed a clear objective, which was to promote peace and stability. In order to promote that, it would be necessary to reconcile people and communities, and that is why they recognised the excellent work of the Historical Enquiries Team and the police ombudsman in investigating the past. Eames and Bradley also rightly—in my opinion—came to the conclusion that the current arrangements probably need to be changed for the long term. That is

one example of one proposal in the Eames-Bradley report that the Government are considering very carefully. I thank the hon. Gentleman for his careful consideration of the entire report, not just one highly controversial section.

Parades Commission

2. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What recent discussions he has had with the Parades Commission on parades planned for summer 2009; and if he will make a statement. [259265]

The Minister of State, Northern Ireland Office (Paul Goggins): I met the chairman of the Parades Commission yesterday when he briefed me on the ongoing work of the commission. I look to all those involved in the 2009 parading season to build on the positive progress made in recent years.

David Taylor: It is now two years since Lord Ashdown was appointed to chair a strategic review of parading in Northern Ireland. Perhaps my hon. Friend would care to update the House about progress in that regard. Does he agree that whatever national recommendations might eventually emerge, the key to peaceful parading is for local organisations and communities to enter dialogue to resolve any difficulties they may have at local level?

Paul Goggins: The strategic review of parading that is chaired by Lord Ashdown issued an interim report last April. Since then, it has consulted extensively across Northern Ireland and it is still compiling its final report. While I cannot tell the House when I expect to receive it, I hope that it will be soon. My hon. Friend puts his finger on an important issue: in Northern Ireland last year there were some 3,800 parades, most of them uncontentious. Where there is a dispute, it is best resolved when the paraders and the protestors sit down together and work out a practical solution to their disagreement. That has been the key to success in recent years, and I hope that it will be the key to success in 2009 as well.

Mr. Peter Robinson (Belfast, East) (DUP): Does the Minister accept that the issue of parades is inextricably linked to the issue of policing and justice, and that the police expend considerable time and enormous sums of money on dealing with contested parades? There is no faith in Northern Ireland on either side of the community in the Parades Commission. The work of Lord Ashdown is therefore pivotal. I have had the opportunity to speak to Lord Ashdown and real progress is being made with his report. Will the Minister do everything possible to encourage publication of that report and the overcoming of the remaining obstacle that appears to stand in the way of publication?

Paul Goggins: The right hon. Gentleman is right that the costs of policing contentious parades are unacceptable, and that money could be spent on neighbourhood policing across Northern Ireland. I know that he seeks a resolution to this problem every bit as much as I do. Lord Ashdown and his review body have come up with an alternative to the Parades Commission, which I hope will command support across all sections of the community in Northern Ireland and offer us a way forward. I give the right hon. Gentleman my assurance that I will continue to work with the review body to resolve any disagreements that may still exist, because he is right to say that we need a resolution to this issue within the context of the devolution of policing and justice powers.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): In answer to the previous question, the Secretary of State talked about the grip of the past and, in many ways, the parades reinforce the prejudices of the past. If the Minister agrees that Northern Ireland is moving into a new era and needs to move on from its sectarian past, does he also agree that the Labour party should follow the lead of the Conservative party and field candidates in national elections in Northern Ireland?

Paul Goggins: That is a very interesting way of arriving at the final question. The Labour party has now established a membership in Northern Ireland and that has been agreed within the rules of my party. The hon. Gentleman is quite right—we need to leave the past behind as regards parading as well as all other aspects of the past conflict. Indeed, it is now more than three years since the dreadful events of the Whiterock parade. We have had a number of years of very peaceful parading and the key to that success has been the local dialogue and the local agreement between people who have a fundamental disagreement about parading. It is possible to find solutions and I encourage people to do so this year, too.

Peace Process

3. **John Robertson** (Glasgow, North-West) (Lab): What assessment he has had made of the level of threat to the peace process from dissident groups; and if he will make a statement. [259266]

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): The Chief Constable and I have made it clear that the dissident republican threat has risen significantly in recent months. As a result the Police Service of Northern Ireland has proportionately increased its response. It is important for the House to note that these criminals have absolutely nothing to offer the people of Northern Ireland and this House should send an unequivocal message that we reject their attempts to threaten the community.

John Robertson: I thank my right hon. Friend for his answer. A car bomb was placed near a school in County Down in January following a warning from the head of MI5 that republican groups had been growing in number in the area. Will my right hon. Friend tell me what has happened in relation to that car bomb and attempts to track down the perpetrators? What is being done about those groups, which seem to be on the rise again?

Mr. Woodward: The House will wish to know that from May to the end of the period of the recent Independent Monitoring Commission review there has been an increase in the number of attacks from dissidents and that that number is now higher than at any time in the past five years. My hon. Friend asked about the specific events at Castlewellan at the end of January. It is right to report to the House that several controlled explosions were carried out on 29 January, leading to the discovery of a timer power unit and a viable explosive

device in the boot of the vehicle. That was the second dissident republican improvised explosive device so far this year.

I want to join all local politicians in Northern Ireland in utterly condemning that senseless act. It is crucial that we should recognise, however, that the police response will be proportionate. They have upped their response, but we have to recognise something extremely—

Mr. Speaker: Order. I know how strongly the Secretary of State feels that this information should be put across to the House, but we are in Question Time. He is really making a statement and I have to consider Back Benchers who want to ask questions.

Dr. William McCrea (South Antrim) (DUP): No one could deny the Secretary of State's statement that dissident republican terrorists have nothing to offer the community. Thirty years of Provisional IRA terrorism did not have anything to offer the community, either. We can condemn terrorism for as long as we like, but what active steps will the Government take to ensure that we defeat terrorism and allow Northern Ireland to move into a genuinely peaceful and tranquil era?

Mr. Woodward: It is important to tell the hon. Gentleman that we can do two things. We can back our Police Service of Northern Ireland and the security forces, and we should congratulate them on foiling this terrible attempt by a small group of criminals with no community support to threaten that community. It is also important to send the message to Northern Ireland that politics is winning and that that is the only way forward.

Mr. Eddie McGrady (South Down) (SDLP): Did the Secretary of State read the in-depth interview in the *Irish News* of 16 February with the leader of Oglaigh na hEireann, the group that claims responsibility for the bomb at Castlewellan in my constituency? The leader of the group claimed that the intent was to cause the maximum murder of civilians and military personnel in Ballykinler. Some of my local residents are concerned about the considerable delay between the bomb being found abandoned in the morning and the detonation of its contents. Will the right hon. Gentleman assure the House that there will be no restraint in giving intelligence information to the operating security forces, even to protect the sources of that information?

Mr. Woodward: It is important to recognise that this is now very much an ongoing police investigation. It is also important for me not to make a running commentary on that investigation, but I believe that I can give the hon. Gentleman the assurances that he seeks.

Mr. Laurence Robertson (Tewkesbury) (Con): As has been mentioned, there has been an increase in dissident activity that has included a brutal murder, the use of pipe bombs and a petrol bomb. Dissident weapons have also been discovered, including sawn-off shotguns and pistols, and in particular there have also been attacks on the police. I welcome the Secretary of State's announcement that the police response will be proportionate, but what protection can he give to the police? Like the communities, they too are the targets.

Mr. Woodward: The hon. Gentleman is right to draw the House's attention to the extraordinarily brave work carried out by members of the PSNI. I want to reassure him and other hon. Members that the Chief Constable, myself and others are doing everything that we can to protect the brave men and women of the PSNI. However, what the House can do is send an unequivocal message to the criminals who would threaten the community—that politics is winning, and that paramilitary criminal activity is always destined to fail.

Republican Paramilitary Groups

4. **Mr. Andrew Robathan** (Blaby) (Con): What recent assessment he has had made of the involvement of republican paramilitary groups in drug-related crime in Northern Ireland. [259268]

The Minister of State, Northern Ireland Office (Paul Goggins): The Independent Monitoring Commission has confirmed that dissident republican groups are involved in drug-related crime. The PSNI will continue to work with the other members of the organised crime task force to disrupt their criminal activities.

Mr. Robathan: But of course the majority of dissident republicans used to be members of the Provisional IRA, which gained most of its money from extortion and other criminal activity while it carried out murder and terrorism. The Provisional IRA was inextricably linked to Sinn Fein, which now has Ministers in the Northern Ireland Government. Does the Minister believe that Sinn Fein ever benefited from criminal money and drug-related crime? What is his assessment of whether it still has connections with drug-related crime and other criminal activity?

Paul Goggins: The people and political parties of Northern Ireland have moved on from the days described by the hon. Gentleman. It is very important that people are able to move on from the grip of fear that dissident republican groups are attempting to deploy across the communities of Northern Ireland. One of the especially despicable things that dissident republican organisations are involved in is the extortion of money from drug dealers. In many cases, they use extreme violence but at the same time they pretend to protect communities from those who deal in drugs. It is absolutely essential that we deal with those dissidents, bring them to justice and make sure that they pay the price for their heinous crimes.

Sammy Wilson (East Antrim) (DUP): Locals in south Armagh boast that it is one of the biggest oil-producing areas of the world—not because of its geological features but because republicans smuggle and launder fuel there. Millions of pounds are lost to Her Majesty's Customs and Revenue, damage is done to the environment and violence is committed to support that criminal empire, but even so very few people have been arrested and very few assets seized. Will the Minister say when we shall see an all-out assault by the police, HMRC and the Serious Organised Crime Agency against those criminals?

Paul Goggins: We are putting that all-out assault firmly in place. Last year, I established a fuel fraud enforcement group, with the co-operation and active involvement of law enforcement agencies in Ireland as well as in Northern Ireland. Since then, there have been

a number of arrests, as well as widespread seizures of equipment, cash and illegal fuel. The hon. Gentleman is right that these groups are intent on raising money to support their terrorist activity. They absolutely have to be stopped and I am determined, with partners in the organised crime task force, to do exactly that.

Public Inquiries (Costs)

6. **Mr. Simon Burns** (West Chelmsford) (Con): What estimate he has made of the total final cost to the public purse of the current public inquiries taking place in Northern Ireland. [259271]

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): The Bloody Sunday inquiry is expected to cost a total of £190 million, including costs incurred by the Ministry of Defence. The Hamill, Wright and Nelson inquiries are expected to cost a combined total of £117 million. The total cost, to the end of January 2009, of all four public inquiries is £267 million, and 70 per cent. of those costs relate to the Bloody Sunday inquiry.

Mr. Burns: Does the Secretary of State realise that over a quarter of a billion pounds has been spent on the inquiry? When will the time come when the money is spent on investing in a better future for Northern Ireland, rather than on the past?

Mr. Woodward: With huge respect to the hon. Gentleman, I realise that the inquiry cost that much. That is why I have just reported that the total cost was a quarter of a billion pounds. He is right, though, to draw the attention of the House to the very high cost of public inquiries. I am pleased to report to him not only that we are trying to do our best to drive down the cost of inquiries, but that together with my right hon. Friend the Justice Secretary, we are looking at ways of producing better public value from public inquiries.

Mr. Philip Dunne (Ludlow) (Con): I listened with great care to what the Secretary of State had to say. Does he not think that it is time to put the past behind us, stop frittering away money on matters that happened 25 years ago, and spend that money on getting people back into employment in Northern Ireland, not on worrying about the past?

Mr. Woodward: Let me commend to the hon. Gentleman the report of Eames and Bradley, which clearly addresses many of the issues that he raises. I caution him on one point: in dealing with the loss of life in Northern Ireland—nearly 4,000 people lost their lives in the course of the troubles—we must all be very careful about describing investigations into the past as "frittering away" public money.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [260223] **Keith Vaz** (Leicester, East) (Lab): If he will list his official engagements for Wednesday 4 March.

The Leader of the House of Commons (Ms Harriet Harman): I have been asked to reply.

I am sure that the whole House will wish to join me in sending our profound condolences to the families and friends of the servicemen killed in Afghanistan in the past week. They were Corporal Tom Gaden, Lance Corporal Paul Upton and Rifleman Jamie Gunn of 1st Battalion the Rifles, and Marine Michael Laski of 45 Commando, who died last week following injuries sustained in Afghanistan. We owe them, and all who have lost their lives, our gratitude for their service. They are dedicated people, fighting in our interests for a safer world. They will not be forgotten.

My right hon. Friend the Prime Minister is in the United States. Yesterday he had talks with President Obama, and today he will address the United States Congress.

Keith Vaz: In a survey published last week, 74 per cent. of parents said that they were very concerned about the increasing violence in video games. Given the increasing availability on the internet of games that exhibit scenes of graphic and gratuitous violence, when do the Government propose to implement the Byron report in full? This is not about censorship; it is about protecting our children.

Ms Harman: I congratulate my right hon. Friend on his long-standing campaign on the issue. We need to make sure that we have tough classifications that are properly enforced. We need to make sure that parents have the information that they need. We need to make sure that the industry plays its part. The Government will take action on all those fronts.

Mr. William Hague (Richmond, Yorks) (Con): May I join the Leader of the House in paying tribute to Corporal Tom Gaden, Lance Corporal Paul Upton, Rifleman Jamie Gunn and Marine Michael Laski, all of whom, as she said, have given their lives in the past week in service to their country in Afghanistan? I also want to express our horror at the attack yesterday on the Sri Lankan cricket team, and join in sending our thoughts and condolences to the families of those killed and injured in that outrage. Thinking of all those people, will she agree that if there is to be any further increase in British troop levels in Afghanistan, it must be accompanied not only by clear and achievable objectives and the tackling of corruption in Afghanistan, but by a commitment from the Government to a proportionate increase in the number of helicopters and armoured vehicles, which are essential if our forces are to do their job?

Ms Harman: Of course we agree that our troops should have all the logistical support that they need when they are in the field.

I thank the right hon. Gentleman for raising what happened in Pakistan, and I fully support what he said. This terrible attack is a tragedy for Pakistan and we strongly condemn it. It was an attempt to destabilise democracy in Pakistan and it cannot be allowed to succeed. Our thoughts are with the families of the Pakistani police officers who died and with the Sri Lankan cricketers. The Foreign Secretary has written to the Presidents of Pakistan and Sri Lanka and my right hon. Friend the Prime Minister has conveyed his condolences. The UK is working closely with Pakistan and the international community to combat the threat from terrorism and violent extremism, which threatens not only the security of the region but the rest of the world.

Mr. Hague: We obviously agree about Pakistan, and we will hold the Government to their commitment on the necessary equipment for our forces in Afghanistan.

On the economy and domestic matters, we have been pressing for several months now for action to get credit moving from the banks to businesses and, in January, the Government finally announced a type of loan guarantee scheme, the working capital scheme, saying that it would help businesses now. Will the right hon. and learned Lady confirm that it is not yet operational and that not a single loan has so far been guaranteed under the scheme?

Ms Harman: The provisions under that scheme are being finalised, but I would not want the right hon. Gentleman to convey the idea that there is not real help available to businesses now. There is. Businesses with cash-flow problems can apply to Her Majesty's Revenue and Customs to defer their tax payments, and 72,000 businesses throughout the country have been able to do that. Businesses have been helped with their cash flow by making sure that the Government and Government agencies pay their bills on time, and they are doing that. Businesses are also helped by the extra money being put into the economy with the VAT cut, the extra help to pensioners and tax credits. Businesses are also helped by public investment: capital investment in building schools, hospitals and children's centres, which the right hon. Gentleman would cut.

Mr. Hague: The right hon. and learned Lady may wish to get off the subject of the working capital scheme, but this was the Government's flagship scheme for getting credit moving in the economy, which is what so many of us called for. The Prime Minister said on 14 January that the scheme would give real help for business now. The Government promised that it would become operational by 1 March. It is now 4 March and it is not remotely operational. It seems that they applied to Brussels for state aid clearance only last week. Hundreds of businesses are going under and tens of thousands of people are losing their jobs. She is holding a summit on the recession in Downing street today. While she is in charge and the Prime Minister is out of the country, will she undertake to look at this with the Chancellor of the Exchequer and do everything possible to speed up the implementation of this now long-delayed scheme?

Ms Harman: This scheme will come into effect. We have taken a number of measures to get lending going again in the economy, nearly all of which the Conservative party has opposed. We have taken action to recapitalise the banks. We have taken action—*[Interruption.]*

Mr. Speaker: Order. Mr. Hands, why do you not allow the Leader of the House to answer the question that she has been asked? It is unfair to shout.

Ms Harman: We have taken action to save the banks from total collapse, action that the Conservatives opposed, and they would have allowed the banks to collapse. We are taking action now to require the banks to increase their lending, and that is why we have an agreement with Northern Rock for £14 billion extra to be lent into the housing market and £25 billion extra to be lent to small businesses. We have been taking the action, all of which the Conservatives have opposed, and we have been getting real help to businesses. The right hon. Gentleman can say all he likes about one particular measure, but while we take a range of measures, they would do nothing.

Mr. Hague: I am not talking only about one particular measure. Not only is the working capital scheme, announced in January, not operational now in March, but the jobs recruitment scheme, announced in January, has now been delayed until April; the mortgage support scheme, announced in December, has not even been worked out yet; the guarantee scheme for asset-backed securities is not starting until April; and the Lloyds bank deal, meant to be announced on Friday, has also been delayed. I am not talking about one measure, but about the failure to implement right across the Government's economic policy.

Why does the Leader of the House not step in? When Chamberlain lost his party's confidence, Churchill stepped forward; when Eden crossed the Atlantic, exhausted, Supermac came forward. This could be her moment. While the Prime Minister is away, will she step in and make sure that these schemes, on which so much economic confidence depends, are actually implemented now?

Ms Harman: The right hon. Gentleman has raised the very important question of mortgage support. People are worried; they fear that if they lose their job, they will lose their home. I remind the House that we have given help to people who fear that they might lose their homes. Instead of having to wait 39 weeks, people who become unemployed will get help with the interest payments on their mortgages at 13 weeks, and an extra amount will be allowed. For people who lose their jobs, we have put extra investment into the jobcentres, and the private organisations too, which help people get retrained and back into work.

As far as the courts are concerned, every single county court now has a help desk to protect people who face repossession, and the building societies and banks have agreed that they will not take repossession action until at least three months of arrears have accumulated. Yes, we are working to ensure that if income falls in a household, there will be a moratorium for up to two years for interest payments. We are working on that, and we look forward to bringing it forward. While the right hon. Gentleman focuses on political gossip, we focus on fighting for Britain's future.

Mr. Hague: The right hon. and learned Lady should not describe her leadership campaign as "political gossip"; that is not the way to go about winning the leadership of her party. *[Interruption.]* Yes, I do know about that. I am only a deputy now, but at least I am a loyal one.

If the right hon. and learned Lady will not step in and secure the implementation of all the schemes that I have mentioned, will she step in on the other matter vital to economic confidence—the recognition of past mistakes? She has been overruled, we understand, on Royal Mail, and she has been hung out to dry by the rest of the Cabinet on the Goodwin pension. But she has the opportunity to speak for the Prime Minister's Cabinet colleagues, urging him to say sorry and move on. In the disagreement between the Chancellor and the Prime Minister, whose side is she on, and will she advise the Prime Minister to say sorry for past mistakes?

Ms Harman: The Prime Minister and the Chancellor have said that when it comes to financial services, yes, we should all learn lessons and take action on the basis of that. Lessons need to be learned not only by the Government but also by the regulators and the financial services industry itself, and action needs to be taken. And we will take action on regulation, remuneration and corporate governance.

But as well as making sure that we have the right regulation system in this country, we have to recognise that whatever the system of regulation in one single country, we have to work together to make sure that the global financial system is properly regulated, because this has been a global financial crisis. So we will learn the lessons and we will take action.

But it is not just for us to learn lessons; the Opposition, too, have lessons to learn. When they were in government, there was no golden age of regulation: people lost a great deal in the collapse of BCCI and through the mis-selling of pensions. When we brought forward statutory regulation, they fought us tooth and nail, and all the way; and even as the credit crunch began to bite, they called for the total deregulation of the mortgage market.

As far as the right hon. Gentleman is concerned— *[Interruption.]*

Mr. Speaker: Order. Let the right hon. and learned Lady speak.

Ms Harman: If the right hon. Gentleman wants to learn lessons, let me remind him of what he said when he was Leader of the Opposition:

"As Prime Minister, I will make deregulation one of my top priorities."

He went on:

"I will drive regulation from the centre. And I will promote Ministers not on the basis of whether they regulate enough, but on the basis of how much they deregulate".

So yes, we have lessons to learn, but we will learn no lessons from him.

Mr. Hague: Mr. Speaker, you would never think the Leader of the House was speaking on behalf of the Prime Minister, who named a whole Department after deregulation and regulatory reform; you would never think she was speaking on behalf of a Prime Minister who said yesterday that he had nothing to apologise for. Is it not now the case that we have Cabinet Ministers manoeuvring for the leadership while the Prime Minister is abroad, and a Government who no longer command the confidence of the people of this country; and is it not clearer than ever that the people who got us into this mess cannot be the people to get us out of it?

Ms Harman: It is sad but predictable that the right hon. Gentleman should focus on political gossip. Our focus under the Prime Minister will be on the real concerns, real worries and real anxieties of people in this country. We will get on and build the new schools, new hospitals and new children's centres that the Opposition would stop; and we will help business whereas they would do nothing. I am happy to leave the political gossip to him; we are getting on with fighting for the future of this country.

Lyn Brown (West Ham) (Lab): Some 34,000 families in my constituency are languishing on the council's housing waiting list. They earn, on average, less than £24,000 per year, yet the Mayor of London has decided to decrease the numbers of homes for rent built in the capital by 10 per cent. Failing to deal with the snow was one thing, but blatantly ignoring the needs of my constituents and tens of thousands of other Londoners is another. Can she—will she—intervene?

Ms Harman: I know that my hon. Friend and her hon. Friends will stand up for all those people in London who need housing and need it now. While Boris Johnson, the Mayor, does not recognise their concerns, I know that they have, in my hon. Friend, a champion on housing.

Dr. Vincent Cable (Twickenham) (LD): May I add my condolences to the families of Marine Laski, Rifleman Gunn, Lance Corporal Upton and Corporal Gaden, who all died serving their country on 25 February; and also to the victims of the Sri Lankan atrocity.

As the Leader of the House is a former pensions Minister and Law Officer and, I believe, a trained solicitor, she is exceptionally well placed to understand pensions law. Instead of the rather eccentric proposal for a "Harriet's law" to stop Sir Fred Goodwin's pension, would it not be more sensible for the Government to use existing legislation under which pensions can be forfeited in cases of employee negligence, which is surely the case with Sir Fred Goodwin, Adam Applegarth of Northern Rock and the others who bankrupted their banks?

Ms Harman: Perhaps I can update the House on this matter. The Government have asked United Kingdom Financial Investments to investigate all the circumstances surrounding the contract for Sir Fred Goodwin's pension, including the extent to which it was discretionary and including whether or not the people who took the decision had all the facts on which they could take it. That, too, bears on the enforceability of the contract. We are absolutely clear that it is not acceptable and we are taking all steps to challenge the enforceability of the contract.

Dr. Cable: I think that the right hon. and learned Lady is missing the point. The issue is not whether the pension is £400,000 or £700,000; the issue is why it is being paid at all. Is this not part of a much bigger issue? There is growing anger in what she calls the court of public opinion not just about the pension and remuneration of those who are now public sector employees, but about other public sector fat cats, including senior civil servants and, dare I say it, Ministers, and their very lavish and generous pensions. Does she recognise that anger, and what is she proposing to do about it?

Ms Harman: I think that we do recognise that concern. In particular, there is concern about the question of remuneration in the financial services industry because it has been part of encouraging short-termism and risk-taking. As well as looking at the contractual basis of Sir Fred's pension, we have also asked the Financial Services Authority and the Walker commission to look at how we tackle and improve the remuneration regime as part of corporate governance.

When it comes to the banks squandering their customers' money, there is one thing that perhaps I ought to add. I discovered that it was not only Sir Fred who was getting money off RBS; it was also the right hon. Member for Richmond, Yorks (Mr. Hague), who got £30,000 off the Royal Bank of Scotland, it turns out, for just two after-dinner speeches.

Hon. Members: Pay it back!

Mr. Speaker: Order. *[Interruption.]* Order. You must be quiet—you cannot shout across the Chamber.

Mr. Lindsay Hoyle (Chorley) (Lab): Thank you, Mr. Speaker. I will not say, "Pay it back". What I would say to my right hon. and learned Friend is that in 1965, a piece of legislation was brought in by the Labour Government covering statutory redundancy pay. That has been eroded over many, many years. Will my right hon. and learned Friend support my private Member's Bill on 13 March that would ensure that the Government will look at the matter again, and ensure that there is a better deal for statutory redundancy pay? Will she ensure that the Government will back that private Member's Bill?

Ms Harman: We want to do everything that we can to support people who, through no fault of their own, lose their work. I know that that private Member's Bill is coming forward; the Minister will respond on that occasion and give his response to those important proposals.

Q2. [260224] **Mr. Michael Jack** (Fylde) (Con): In addition to the list that my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) gave to the Leader of the House of schemes to assist business that are not operating, may I add one more? It is the scheme to introduce help for those without trade credit insurance, promised by the industry Minister when the Government announced their help package for the motor industry. Thousands of companies around the country, both large and small, are finding trading extremely difficult without this trade credit insurance. When will the Government announce the details of that scheme?

Ms Harman: I agree that that scheme is important. We have to do everything that we can to help manufacturing—in particular, through the automotive assistance scheme. In addition, I hope that the right hon. Gentleman will recognise that businesses in his constituency benefit from public capital investment. I hope that he will agree with us that the Opposition should not oppose capital investment in his constituency. I hope that he will support the ability for businesses in his constituency to defer their tax payments. Opposition Members have a choice: they can either say to their constituents that there is no help and that nothing can be done, and wring their hands, or they can work to support businesses and bring schemes forward.

Mr. Andrew Dismore (Hendon) (Lab): At this very moment, in west Hendon mosque in my constituency, funeral prayers are being held for my constituent, 19-year-old university student Hassan Kul Hawadleh—an innocent victim of a brutal knife attack, who was in the wrong place at the wrong time, merely filling up at a petrol station. Rather than attend his funeral, his family asked me to come to the House today to ask my right hon. and learned Friend this: what more can be done to redouble our efforts against knife crime to prevent such pointless tragedies occurring again in the future, and to support families such as theirs in their bereavement?

Ms Harman: My right hon. Friend the Home Secretary, the Metropolitan police, local authorities, schools, youth centres and community organisations across London are working together to tackle the menace of knife crime. While crime generally has gone down, there is a problem of knife crime that persists, which is why we have strengthened the law to ensure that there is a greater possibility of searches and that there are tougher penalties. But today, we share with my hon. Friend the grief about his constituent, and we send our condolence to the bereaved family.

Q3. [260226] **Ann Winterton** (Congleton) (Con): Will the deputy Prime Minister confirm that the real reason for part-privatising Royal Mail stems directly from European Union postal legislation, which forced Royal Mail to divest itself of its most profitable business, thereby handing—it over lock, stock and barrel to European competitors? What sense is there in that?

Ms Harman: The real reason, and the basis on which we are bringing forward the Postal Services Bill, is the analysis in the Hooper report, which we commissioned as long ago as December 2007. It made it clear that we need to take action to put Royal Mail, which, as the Prime Minister has said, is part of the fabric of our society, on a firm footing for the future. That means that we have to ensure that the pension liabilities are met. We have to ensure that the unfair regulation is tackled. We have to ensure that there is legislative underpinning of universal postal services, and also that we get into the organisation—so that, as well as meeting its pension liabilities, it can also modernise—considerable public capital investment but also private capital investment. When we bring forward that Bill to support the future of Royal Mail, I hope that the hon. Lady and all other hon. Members will support it.

Q4. [260227] **Ms Celia Barlow** (Hove) (Lab): I am delighted that the Government have brought forward £900 million of capital funding for schools. Shockingly, however, the Conservative-led Brighton and Hove city council failed to take advantage of the £9 million available locally, despite admitting that there are not enough places for my local children. What advice does my right hon. and learned Friend have for councils that could not get it together in time to take advantage of our Government's funding?

Ms Harman: There is no excuse for my hon. Friend's council not to step forward to ensure that it can take advantage of the funds that have been made available to improve still further the education prospects of children in her constituency. I hope that she will be able to work with the Secretary of State for Children, Schools and Families to ensure that, despite the lagging behind of her local council, it will get on and deliver for children in her constituency.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Can the Leader of the House please confirm who it was that nominated Sir Fred Goodwin for a knighthood and, crucially, why?

Ms Harman: I believe that Sir Fred was nominated for a knighthood because of his services to the Prince's Trust. I understand that it was not in recognition of his services to banking.

Q5. [260228] **Mr. Andy Reed** (Loughborough) (Lab/Co-op): Last week, we laid the first bricks in the £4 million extension to Rainbows children's hospice, which is in my constituency but serves the whole east midlands. We still need another £1 million, plus £2.5 million each year to keep the hospice running. When are the Government finally going to act to ensure that children's hospices do not rely for 95 per cent. of their funding on local residents and fundraisers, and finally get them to parity with adult hospices, for which about 40 per cent. of the funding comes from the public purse?

Ms Harman: I would like to take the opportunity to pay tribute to all those in the NHS, both in hospital care and in the community, who help with palliative and end-of-life services, but I would also like to pay a very big tribute to the hospice movement, the voluntary movement that has spearheaded new ways to care for people at the end of their lives. My right hon. Friend the Secretary of State for Health has made that a priority, investing £30 million extra for palliative and end-of-life care and announcing additional support for all hospices and hospice home services for children up to the age of five. There is a great deal of progress under way, and it is very important indeed.

Q6. [260229] **Mr. David Jones** (Clwyd, West) (Con): The right hon. and learned Lady will be aware that electronic identification of sheep will become mandatory for all animals born after 31 December this year. Does she share the view of the Minister of State, Department for Environment, Food and Rural Affairs that the cost of complying with those rules outweighs the benefits? Does she recognise that those costs may well force many thousands of British farms out of the industry, and will she urge the Department for Environment, Food and Rural Affairs to apply whatever pressure it can to the EU to drop this ridiculous and unnecessary legislation?

Ms Harman: I know that identification of sheep is very important as part of infection control. The hon. Gentleman will know that that is a serious issue. Therefore, I will ask my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs to write to him on the issue.

Q7. [260230] **Mr. Geoffrey Robinson** (Coventry, North-West) (Lab): Is my right hon. and learned Friend aware that, contrary to what was said by the quasi-deputy leader of the Opposition, the right hon. Member for Richmond, Yorks (Mr. Hague), we have in fact already received the agreement of the Commission for the £2.3 billion of aid for the motor industry and we expect to have clearance for the £20 billion working capital package this month? That said, will she take it from me that now is the time, when we have those permissions and the schemes in place, for us to get cracking and get the money out to the companies that deserve and merit it? Will she also have a word with my very good friend in another place, congratulating him on what he has done, but telling him that he has got to get cracking?

Ms Harman: My hon. Friend makes some very important points. I would have liked to give those points as my answer to a previous question, but I would also like to tell the House that the Industry and Exports (Financial Support) Bill, which will be introduced in the House today, will facilitate an extra £16 billion, to be directly available. I hope that all hon. Members will welcome that Bill being introduced to the House today.

BILL PRESENTED

INDUSTRY AND EXPORTS (FINANCIAL SUPPORT) BILL

Presentation and First Reading (Standing Order No. 57)

Mr. Pat McFadden, supported by the Prime Minister, Mr. Chancellor of the Exchequer, Secretary Paul Murphy and Ian Pearson, presented a Bill to amend section 8(5) of the Industrial Development Act 1982 and to amend section 1(1) of the Export and Investment Guarantees Act 1991.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 70) with explanatory notes (Bill 70-EN).

Teaching of British History in Schools

Motion for leave to introduce a Bill (Standing Order No. 23)

12.33 pm

Andrew Rosindell (Romford) (Con): I beg to move,

That leave be given to bring in a Bill to make provision for the compulsory teaching of British history in schools; and for connected purposes.

Mr. Speaker, I am pleased to stand before you today to advance a cause that I and many Members of this House feel passionately about, but which in recent decades has been shamefully neglected: the teaching of the history of our nation and its peoples to pupils in schools across the land. The peoples of these magnificent British Isles—England, Scotland, Ireland, Wales, the Channel Islands and the Isle of Man—along with the numerous and unique British territories around the world, have a rich and proud history like no other. From Stonehenge to St. Paul's cathedral; from the battles of Agincourt, Trafalgar and Waterloo to the defeat of the Spanish armada and the liberation of the Falkland Islands; and from the invention of the steam engine to the discovery of penicillin, the great explorations of the seven seas and the British empire, the depth and breath of our history is unsurpassed.

Yet, today, where does the comprehensive teaching of British history figure in our nation's education? I believe that it is time that British history was made a core subject in all schools and at all stages of learning, so that every young person can grow up with an appreciation and understanding of all that has made our nation great throughout the centuries, and with an ability to demonstrate that to future generations, so that they in turn will wish to play their part in building on what has gone before, as the next chapter of British history unfolds.

In their seminal work of 1930, "1066 and All That", Sellar and Yeatman famously wrote that every schoolchild could be relied on to recall two key dates in our history—the Norman conquest in 1066 and Julius Caesar's invasion of England. Today, we cannot rely on even that level of knowledge. Despite the best efforts of history teachers to advance the subject and provide children with a solid grounding in the fundamentals, they are constrained by a history curriculum that does not enable pupils to develop a comprehensive understanding of British history. A recent Ofsted report worryingly noted that pupils' knowledge and understanding of "key historical events" is not good enough, and that their knowledge is fragmented,

"patchy and specific; they are unable to sufficiently link…historical events…form overviews and demonstrate strong conceptual understanding."

It also noted that their

"sense of chronology is…weak and they are generally unable to…relate to a longer narrative or story of the history of Britain".

Unlike in most European countries, the teaching of history is no longer compulsory in British schools after the age of 14, and evidence suggests that the history curriculum in our country is deeply flawed. The following findings from surveys conducted over the last few years offer some alarming insights into this matter. It was found that 70 per cent. of 11 to 18-year-olds did not know that Nelson's flagship at the battle of Trafalgar was called HMS Victory. More than 20 per cent. of

16 to 24-year-olds thought that Britain had, at one stage, been conquered by the Germans, the Americans or the Spanish. Several children mistook Sir Winston Churchill for the first man to walk on the moon. He also joins King Richard the Lionheart and Florence Nightingale as being mistaken regularly by our youth as a creation of fiction.

As my hon. Friend the Member for Surrey Heath (Michael Gove) has previously highlighted, full participation in our nation is greatly aided by a thorough understanding of our heritage and tradition. The study of history helps children better to grasp their own identity, and reading history enables our younger generation to analyse and question the present by engaging and examining what has gone before. Knowledge of the history of our country is so important because it allows people to make informed decisions about the future of our nation. If our children do not know where they come from, how can they possibly move forward? By learning about the rich tapestry of British history, they can identify with the culture and society of modern Britain.

Over the past decade, the number of students reading history has fallen, from 35 per cent. of teenagers taking history at GCSE level in 1997 to 30 per cent. in 2007. This led Ofsted to claim last year that history was increasingly becoming an "endangered subject". Indeed, Britain in particular is envied for its rich history, the knowledge of which we must cherish and hand down to future generations. Something is going wrong, however. Many pupils harbour a negative view of history by the age of 16. According to some universities, many of those who study the subject in higher education have very little knowledge of history prior to the 20th century.

It is Henry and Hitler who now dominate the history syllabus. Most pupils today would be able to recite the fate of Germany in the second world war and the tribulations of Henry VIII and his wives, but little else. World war two and the Tudor dynasty were, of course, significant events in our nation's history, but to study them in isolation is not truly to understand the events that led to and followed them.

Change is needed to ensure that young people's knowledge does not remain patchy and over-specific, and tied only to one or two moments in our nation's history and ignorant of others. They need to be able to comprehend a longer narrative of our history. Knowledge of events such as the establishment of Parliament, the triumphs of the British empire, the monarchy and our Royal heritage has to an extent been cast by the wayside.

If we are to advance the cause of British history, we must not focus solely on England. Currently, the history curriculum sheds very little light on Scotland, Wales or Northern Ireland. British history should encompass all countries and all peoples of these isles, as well as those parts of the world in which Britain has had a significant input—including those whose people still identify themselves as British, such as in Her Majesty's overseas territories and Crown dependencies.

A proper appreciation of our nation's history is an important factor in forging national cohesion. It would combat the current failure of some pockets of our youth to engage with society and enlighten them as to the impact of the key factors that have shaped our nation over the centuries. History has always been a great contributor to British democracy and has allowed us to conduct a pluralistic analysis of the status quo.

The importance of learning and appreciating history cannot be underestimated. To quote the revered historian, Anthony Seldon:

> "Only if young people learn about their own country, and its place in the world, will they be able to play their full part as citizens and voters."

I commend the Bill to the House.

12.42 pm

Mr. David Winnick (Walsall, North) (Lab): I take the view that politicians should be very careful about laying down what should be taught in history, and particularly what should be taught in schools. Only today I read in a newspaper that Russian teachers have been told that they should be very careful over what is being taught to school pupils about the communist period. One person associated with the Russian Prime Minister said:

> "Don't throw mud at the Motherland".

Clearly, Russian history teachers are being sharply told what should and should not be taught.

If we are to have lessons in British history, a number of points that the hon. Member for Romford (Andrew Rosindell) raised should be emphasised. I would not necessarily disagree with his view that this country has a proud history and I see no reason why school pupils should not be told about it. I imagine most of them are. However, other aspects of our history should also, in my view, be told. School children should be told, for example, about what happened in 1381, but the hon. Gentleman did not mention that. This was the first revolt by ordinary people in this country and it took place over a poll tax—*[Interruption.]* It was the peasants' uprising, led by John Ball and Wat Tyler—*[Interruption.]*

Mr. Speaker: Order. The Bill's promoter was heard in silence, so we should also allow the hon. Member opposing it to be properly heard.

Mr. Winnick: That was an important aspect of British history, when ordinary people decided that they were going to revolt against a poll tax rather earlier than our more recent disagreements over a similar tax. What about the Levellers and the Diggers, following the civil war? Then, again, ordinary people took the view that the abolition of the monarchy should be followed by a system in which they could vote and take decisions, which would otherwise have been impossible—and was impossible for a long time to come after the civil war. However, there was not a single mention from the hon. Gentleman of the Levellers and the Diggers—a very important aspect of British history. For that matter, I would also like to see some recognition in the House of Commons of those who fought in those days for elementary rights.

What about the Great Reform Act? Not a single mention was made by the hon. Gentleman of the agitation of the people of this country that they should have the right to vote. Before the Great Reform Act of 1831—*[Interruption.]* I do not know why Conservative Members are getting so excited. Before the Reform Act of 1831, only a very small number were able to vote. The overwhelming majority of people had no vote at all and the agitation—the reform—that led to the House of Commons becoming more representative is surely an aspect of history that should be taught and that we

[Mr. Winnick]

should be pleased about. There was no mention either of Peterloo in 1819, when a number of people were killed demonstrating in Manchester, some four years after the end of the war against Napoleon, so the hon. Gentleman is being very selective.

Another topic in British history was not mentioned—the Tolpuddle martyrs. In 1834, six people in a small village in Dorset were convicted of a criminal offence and deported to Australia. Why no mention of the Tolpuddle martyrs? Is the hon. Gentleman aware of what happened or ashamed of it?

Mr. Andrew Robathan (Blaby) (Con): It is history. What about 1832?

Mr. Winnick: The Tolpuddle martyrs were in 1834.

As I said at the beginning of my speech, my view is that we, as politicians in a democracy, should be careful about not laying down what should or should not be taught in schools. The hon. Member for Romford has a strong view; so do I. The more we leave history to the professionals and do not intervene, the better. That is the proper way to go about matters.

I oppose the Bill, but I do not consider it, or at least what the hon. Gentleman himself has said, of such major concern that he should divide the House. The House has a busy day ahead, and if he wants permission to proceed with his Bill, which will not get anywhere, so be it.

Question put and agreed to.

Ordered,

That Andrew Rosindell, Angela Watkinson, David Simpson, Mr. Mark Lancaster, Andrew Selous, Mr. Gerald Howarth, Mr. David Evennett, Mr. Frank Field, Joan Ryan, David Cairns, Mr. David Jones and Mr. Henry Bellingham present the Bill.

Andrew Rosindell accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 16 October and to be printed (Bill 71).

Northern Ireland Bill (Allocation of Time)

Mr. Speaker: I inform the House that I have selected amendment (a), which stands in the name of the hon. Member for Wellingborough (Mr. Bone).

12.49 pm

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): I beg to move,

That the following provisions shall apply to the proceedings on the Northern Ireland Bill—

Timetable

1.—(1) Proceedings on Second Reading, in Committee, on consideration and on Third Reading shall be completed at today's sitting in accordance with the following provisions of this paragraph.

(2) Proceedings on Second Reading shall (so far as not previously concluded) be brought to a conclusion four hours after the commencement of proceedings on the Motion for this Order.

(3) Proceedings in Committee, on consideration and on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption or six hours after the commencement of proceedings on the Motion for this Order, whichever is the later.

Timing of proceedings and Questions to be put

2. When the Bill has been read a second time—

(a) it shall (notwithstanding Standing Order No. 63 (Committal of bills not subject to a programme order)) stand committed to a Committee of the whole House without any Question being put; and

(b) the Speaker shall leave the Chair whether or not notice of an Instruction has been given.

3.—(1) On the conclusion of proceedings in Committee, the Chairman shall report the Bill to the House without putting any Question.

(2) If the Bill is reported with amendments, the House shall proceed to consider the Bill as amended without any Question being put.

4. For the purpose of bringing any proceedings to a conclusion in accordance with paragraph 1, the Chairman or Speaker shall forthwith put the following Questions (but no others)—

(a) any Question already proposed from the Chair;

(b) any Question necessary to bring to a decision a Question so proposed;

(c) the Question on any amendment moved or Motion made by a Minister of the Crown;

(d) any other Question necessary for the disposal of the business to be concluded.

5. On a Motion so made for a new Clause or a new Schedule, the Chairman or Speaker shall put only the Question that the Clause or Schedule be added to the Bill.

Consideration of Lords Amendments

6.—(1) Any Lords Amendments to the Bill shall be considered forthwith without any Question being put.

(2) Proceedings on consideration of Lords Amendments shall (so far as not 40 previously concluded) be brought to a conclusion one hour after their commencement.

7.—(1) This paragraph applies for the purpose of bringing any proceedings to a conclusion in accordance with paragraph 6.

(2) The Speaker shall first put forthwith any Question already proposed from the Chair.

(3) If that Question is for the amendment of a Lords Amendment the Speaker shall then put forthwith—

(a) a single Question on any further Amendments to the Lords Amendment moved by a Minister of the Crown, and

(b) the Question on any Motion made by a Minister of the Crown that this House agrees or disagrees to the Lords Amendment or (as the case may be) to the Lords Amendment as amended.

(4) The Speaker shall then put forthwith—

(a) a single Question on any Amendments moved by a Minister of the Crown to a Lords Amendment, and

(b) the Question on any Motion made by a Minister of the Crown that this House agrees or disagrees to the Lords Amendment or (as the case may be) to the Lords Amendment as amended.

(5) The Speaker shall then put forthwith the Question on any Motion made by a Minister of the Crown that this House disagrees to a Lords Amendment.

(6) The Speaker shall then put forthwith the Question that this House agrees to all the remaining Lords Amendments.

(7) As soon as the House has—

(a) agreed or disagreed to a Lords Amendment, or

(b) disposed of an Amendment relevant to a Lords Amendment which has been disagreed to, the Speaker shall put forthwith a single Question on any Amendments moved by a Minister of the Crown and relevant to the Lords Amendment.

Subsequent stages

8.—(1) Any further Message from the Lords on the Bill shall be considered forthwith without any Question being put.

(2) Proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.

9.—(1) This paragraph applies for the purpose of bringing any proceedings to a conclusion in accordance with paragraph 8.

(2) The Speaker shall first put forthwith any Question which has been proposed from the Chair.

(3) The Speaker shall then put forthwith the Question on any Motion made by a Minister of the Crown which is related to the Question already proposed from the Chair.

(4) The Speaker shall then put forthwith the Question on any Motion made by a Minister of the Crown on or relevant to any of the remaining items in the Lords Message.

(5) The Speaker shall then put forthwith the Question that this House agrees with the Lords in all the remaining Lords Proposals.

Reasons Committee

10.—(1) The Speaker shall put forthwith the Question on any Motion made by a Minister of the Crown for the appointment, nomination and quorum of a Committee to draw up Reasons and the appointment of its Chairman.

(2) A Committee appointed to draw up Reasons shall report before the conclusion of the sitting at which it is appointed.

(3) Proceedings in the Committee shall (so far as not previously concluded) be brought to a conclusion 30 minutes after their commencement.

(4) For the purpose of bringing any proceedings to a conclusion in accordance with sub-paragraph (3), the Chairman shall—

(a) first put forthwith any Question which has been proposed from the Chair, and

(b) then put forthwith successively Questions on motions which may be made by a Minister of the Crown for assigning a Reason for disagreeing with the Lords in any of their Amendments.

(5) The proceedings of the Committee shall be reported without any further Question being put.

Miscellaneous

11.—(1) Paragraph (1) of Standing Order No. 15 (Exempted business) shall apply so far as necessary for the purposes of this Order.

(2) Proceedings to which this Order applies shall not be interrupted under any Standing Order relating to the sittings of the House.

12.—(1) The proceedings on any Motion made by a Minister of the Crown for varying or supplementing the provisions of this Order shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.

(2) Paragraph (1) of Standing Order No. 15 (Exempted business) shall apply to those proceedings.

13. Standing Order No. 82 (Business Committee) shall not apply in relation to any proceedings to which this Order applies.

14.—(1) No Motion shall be made, except by a Minister of the Crown, to alter the Order in which any proceedings on the Bill are taken or to recommit the Bill.

(2) The Question on any such Motion shall be put forthwith.

15.—(1) No dilatory Motion shall be made in relation to proceedings to which this Order applies except by a Minister of the Crown.

(2) The Question on any such Motion shall be put forthwith.

16. The Speaker may not arrange for a debate to be held in accordance with Standing Order No. 24 (Emergency debates)—

(a) at today's sitting, or

(b) at any sitting at which Lords Amendments to the Bill are, or any further Message from the Lords is, to be considered, before the conclusion of any proceedings to which this Order applies.

17.—(1) Sub-paragraph (2) applies if the House is adjourned, or the sitting is suspended, before the conclusion of any proceedings to which this Order applies.

(2) No notice shall be required of a Motion made at the next sitting by a Minister of the Crown for varying or supplementing the provisions of this Order.

Mr. Woodward: It might help if I briefly spell out why we have tabled the motion and the parliamentary timetable for the Bill. Members on both sides of the House have expressed concern about the timetable. I would like to explain why we are taking weeks rather than months to take the Bill through Parliament to Royal Assent.

The Government committed at St. Andrews that when the Assembly was ready to ask for the transfer of policing and justice powers, the necessary enabling legislation would be in place. We had envisaged that it would take up to a year to see sufficient confidence built to realise stage 2. However, 18 months have passed before the political environment has felt confident enough even to begin the process.

On 18 November 2008, the First Minister and Deputy First Minister wrote to the Assembly and Executive Review Committee to say that they had reached agreement on a way forward to the completion of devolution. In January this year, the committee reported on its deliberations on the devolution of policing and justice powers, and the Assembly agreed the report on a cross-community vote. The elected representatives of the people of Northern Ireland, having gone through their Assembly and Executive Review Committee, have asked that we give legislative form to their agreements of November and January. In that sense, the Bill not only enjoys confidence, but has "Made in Northern Ireland" stamped firmly on it.

This is not the legislation that will affect the transfer of power. It is, however, important in that it makes a series of changes to departmental models, and deals with arrangements for the appointment of a Justice Minister and arrangements for the judiciary. It is for the people of Northern Ireland, through their Assembly, to decide when to ask for the transfer of powers. The triple lock set out in the Northern Ireland Act 1988 remains firmly in place. We made a commitment to be ready to play our part, and that is why it is necessary to have this legislation in place now and to expedite its path. That is not for the convenience of the Government; it is in order to ensure that when the Assembly asks, we are ready. That is why I am asking the House to expedite the arrangements without undue delay.

[Mr. Woodward]

I am very aware that this is not the first occasion on which we have asked for the passage of Northern Ireland legislation to be made a matter of urgency, and, along with my predecessors as Secretary of State for Northern Ireland, I continue to be grateful to the House for its indulgence. It has helped to spur Northern Ireland to its transformation from violence to peace and from inequality to partnership in power, truly building the environment for a shared future. I ask again for the co-operation and support of the House in expediting this legislation, thereby enabling those who are elected in Northern Ireland to take control of their destiny and, at a time of their choosing, accept responsibility for the policing and justice powers that currently reside in the hands of the Secretary of State.

12.52 pm

Mr. Owen Paterson (North Shropshire) (Con): I was first alerted to the imminence of the Bill when during the week before the recess, through the usual channels, I learnt that the Government intended to publish it on Monday 23 February, the day on which Parliament resumed. The House would be given one full day to read it, understand it and table amendments before proceeding to consider all stages on Wednesday 25 February.

It has always been our policy not to let party politics intrude on our deliberations on Northern Ireland. We have always striven to be a responsible Opposition, maintaining the broad bipartisan consensus that has brought the peace process so far. However, this proposal really did ask too much, as it gave us so little time in which to analyse a Bill that, although short, amends a number of earlier Acts. More negotiations followed, and I was pleased when the Government agreed to a further week, resulting in today's business.

It is highly unsatisfactory that any Bill should be put through all its stages in the elected House in one day, when even the non-elected House is given two days. There have been times when emergency legislation on Northern Ireland has been put through in a day, and those circumstances have been understandable. However, although there is no such emergency on this occasion, I was given to understand that the Government had set a timetable so tight that it would allow the Assembly time to consider the Bill, with the result that criminal justice and policing would be devolved before the summer recess. I was therefore very surprised when, during our brief debate on the business of the House last Wednesday, the right hon. Member for Belfast, East (Mr. Robinson), who is present—the First Minister, no less—declared that no date for devolution had been agreed, and that time should be allowed for a full debate in the House.

That makes the position even more unsatisfactory. However, given the Government's majority and ability to control the programme, I fear that further debate and voting on this motion would eat into the limited time available for Second Reading and the Bill's remaining stages. I am strongly tempted to vote against the motion, but I should prefer my hon. Friends—I know that they have strong feelings on the issue, which are quite justified—not to press the motion to a Division if they can possibly restrain themselves from doing so, thus allowing us to proceed to the main business.

12.55 pm

Mr. Eddie McGrady (South Down) (SDLP): Let me say at the outset that, on behalf of my party, I oppose the programme motion.

The House has seen plenty of legislation that needed to be passed urgently, but here we have legislation being rushed through as if it were urgent when in reality there is no urgency whatsoever in terms of politics in Northern Ireland. Whether we like it or not, we still have no date for the devolution of justice—the Secretary of State has made that perfectly clear on many occasions—so why rush this legislation through now? Why should we not take a bit of time, not to delay it but to consider it properly? What harm could there be in that? In fact, it could only create better legislation. The other place is taking two days to consider the Bill, so why is this House being rushed and restricted to a single afternoon on a day that features a busy schedule?

It is hard to avoid the conclusion that the Bill is being rushed through not because of its urgency, but because of its defects. Perhaps that is why copies of the consolidated legislation on which the Bill is largely based were not supplied to political parties until 9.16 pm on Monday, when amendments had to be tabled by 10.30 pm. That constitutes indecent haste, and prevents parties and Members from doing their job properly in the House. Members were left to trawl through the spaghetti of seven different Acts in that short time: the Northern Ireland Act 1998, the Northern Ireland (Monitoring Commission Etc.) Act 2003, the Northern Ireland (Miscellaneous Provisions) Act 2006, the Northern Ireland (St Andrews Agreement) Act 2006, the Justice and Security (Northern Ireland) Act 2007, the Justice (Northern Ireland) Act 2002, and the Justice (Northern Ireland) Act 2004.

Not only does the Bill amend those Acts; it confounds some of the explanations and assurances that were given in the House during their passage. It contradicts previous understandings of, in particular, the way in which the devolution of justice would work, and it is defective in a number of respects. It means that the 2011 Assembly elections can be followed by an indefinite period during which there will be a Department of Justice without a Minister. Worse, it means that unless by May 2012 the Assembly has agreed to a permanent model for the devolution of justice, or the Secretary of State intervenes, the position will be the other way around: we shall have a Minister for Justice without a Department.

That, of course, would be a very dangerous position. The absence of a Department of Justice would mean chaos in the sphere of justice and law in Northern Ireland. Perhaps that is why paragraph 5(2)(b) of schedule 1 allows the Secretary of State to introduce a fallback, although the First Minister and Deputy First Minister agreed that there would be no fallback. The fallback is the model of the Justice and Security (Northern Ireland) Act, which allows the DUP the very thing that Sinn Fein foolishly conceded in July 2008: a DUP veto over the appointment of a Minister for Justice "at all times". That, of course, could lead to further rows about who the Minister for Justice will be after 2012, potentially leaving the Department without a Minister again.

All that might not matter if the future was in safe hands, but it is not. Both the DUP and Sinn Fein have played the devolution of justice card time and again for

their own advantage, not for the common good. Indeed, just last year, while the world economy was falling apart around us, they could not agree to let the Executive meet to discuss the issue.

Mr. Nigel Dodds (Belfast, North) (DUP): Will the hon. Gentleman give way?

Mr. McGrady: Not at the moment.

They could not agree to that as they were indulging in a partisan stand-off over the devolution of justice. If they are willing to allow that, we can safely assume that they will be willing to let a crisis build in 2011 or 2012—and perhaps the elections coming up this year and next year will be fought on that artificially created agenda. That is why it is all the more important that this legislation looks for positive ways out of crises, rather than pushing parties towards them, and that is what our amendments try to do. They avoid such opportunities for stunts, stand-offs and showdowns, and they promote positive politics in Northern Ireland. They help bring this Bill back into line with the Good Friday agreement, which the people supported. We deserve the time to consider these amendments properly.

Members of this House may, rightly, feel tired of all the legislation on the devolution of justice, but this Bill is more important than any other measure, as it stands a chance of being used in reality—and it is highly likely that it will be abused. Therefore, this House should use its powers. It should scrutinise Bills properly, rather than rubber-stamp them for the sake of some unknown expedient. For as long as this House legislates for Northern Ireland, it has a duty to ensure that it legislates well for Northern Ireland, and that it promotes solutions, not confusion. That is why this Bill deserves to be debated more fully.

I shall now give way to the hon. Member for Belfast, North (Mr. Dodds).

Mr. Dodds: I am very grateful to the hon. Gentleman for giving way, but I am sure he will want to correct what he said when he put the blame for non-meetings of the Executive equally on the Democratic Unionist party and Sinn Fein. Does he not accept that the First Minister and the DUP were at all times willing for the Executive to meet, and, indeed, suggested an open agenda so that the Executive could meet on any issue, but that Sinn Fein blocked the meetings, as was said in the Assembly by the hon. Gentleman's Social Democratic and Labour party colleagues?

Mr. McGrady: The hon. Gentleman has intervened on the point of the political manoeuvring of last year. In my opinion, both parties were using the stand-off to create party political advantages for themselves. The general tenor of my remarks is that my party opposes the programme motion and has a mind to support the amendment of the hon. Member for Wellingborough (Mr. Bone).

1.3 pm

Sir Patrick Cormack (South Staffordshire) (Con): I will not speak for long, but I want to make a couple of what I hope will be reasonably cogent and important points.

This is not tremendously controversial legislation; it is necessary legislation, and I support it, and if I am fortunate enough to be called to speak in the substantive debate, I will explain why I support it briefly and, I hope, fairly persuasively. There is a difference between haste and indecent haste, however. There is a case, which the Secretary of State has made, for passing this Bill reasonably quickly, but I stress the word "reasonably" as there is no need for it to be rushed through this House this afternoon.

This is a further example of the Government's disdain for the House of Commons. The Secretary of State has a good record on that issue, but his Government have a bad one. Time and again, timetables have not given adequate time to discuss measures, and today we have another example. We are constrained even as we speak in this debate, because we have four hours for the whole of the proceedings up to the conclusion of the Second Reading debate, including the time we are taking now, which is why my hon. Friend the Member for North Shropshire (Mr. Paterson) appealed to us not to vote. I understand the logic of that appeal, but it is very wrong that the business motion debate is eating into the time for Second Reading. We ought to have a period of, perhaps, an hour for this debate—it does not need to be a long time—and then we should have time for Second Reading on top of that. We then have two hours for the remaining stages. There is absolutely no indication in the amendments on today's Order Paper of any desire by anyone of any party in Northern Ireland or anywhere else to filibuster. There are some amendments that deserve consideration, but there will not be enough time to debate them properly, and that is wrong.

I have a high regard for the Secretary of State, and I know he does not mean to insult either the House or the people of Northern Ireland, but the way in which this is being railroaded through does, in fact, insult them. It does not give us in this House time for adequate debate, and it does not say to the people of Northern Ireland, who will be following our deliberations with considerable interest, that we have scrutinised this very important measure adequately and properly.

Bob Spink (Castle Point) (Ind): The hon. Gentleman is making excellent points. Would he like to reinforce them by acknowledging that the business of this House in the coming weeks and months does not seem over-onerous? We are not over-burdened with legislation, and there seems to me to be plenty of opportunity for this measure to be properly debated.

Sir Patrick Cormack: The hon. Gentleman makes a good point, to which I was going to allude. There has never been a thinner Queen's Speech than the one we had in December. The legislative burden has never been lighter. I do not grumble at that, because I am one of those who have consistently argued for less legislation, not more, but the fact is that we do have adequate time. It would have been perfectly possible for us to have had two days—the amendment of my hon. Friend the Member for Wellingborough (Mr. Bone) does not ask for longer, as it makes a modest request—which would have given time for proper consideration of this short but important measure.

Mr. Gregory Campbell (East Londonderry) (DUP): My hon. Friend is cogently outlining the need for more time. Is not the nub of the point that there is little

[Mr. Gregory Campbell]

likelihood of the devolution of policing and justice occurring in the next year or several years, so why the need to proceed with such indecent haste?

Sir Patrick Cormack: I do not want to comment on the timetable for devolution; that is very much in the hands of the Assembly and the parties represented in it. I was very glad to see the declaration of 18 November, but it outlined a process and did not give a timetable. In my opinion, that was appropriate, but it is for my friends from Northern Ireland—I am referring to "my friends" in a wide generic sense, including the gentlemen on the Benches opposite—to decide exactly when this will happen. What is important is that, when it does happen, it should be permanent and not come unstuck. I agree with the substance of the intervention, because what the hon. Gentleman—who until recently was a very valuable member of my Select Committee—is saying is that there is not this urgency: we do have the opportunity to have a couple of days, and the general parliamentary timetable should permit it.

I must thank the Minister of State for helping to prevent the originally proposed absurdity of publication on 23 February and debate on the 25th. That would have been quite appalling, and when the Minister of State came before the Select Committee the week before the recess, we made it quite plain to him in no uncertain terms that that was something, in the immortal words of Churchill, up with which we would not put. The Minister of State was extremely helpful in trying to ensure that there was time for the Bill to be published and for people to study it before Second Reading. I just ask, far more in sorrow than in anger, that having done that, which was proper and much appreciated, why does he still stick to the one day's consideration, especially in view of the fact that the other place has two days? I do not complain about its having two days, because that is entirely proper, but we should also have had two days. It is for those from Northern Ireland to determine whether time should be taken in the Division Lobby. I, personally, will not call a Division by shouting at the appropriate time, but I wish to make it plain that if there is one, I shall most certainly support the amendment and vote against this programme motion.

1.10 pm

Mr. Peter Hain (Neath) (Lab): I always follow, with great respect, the contributions made by the hon. Member for South Staffordshire (Sir Patrick Cormack), because he is dedicated to making sure that this House's proprieties and traditions are upheld, especially in its scrutiny of the Executive, and I salute him for that. However, I think it is important that this programme motion goes through—ideally, as the shadow Northern Ireland Secretary mentioned, there will not be a vote. I say that because, notwithstanding the understandable concern that there should be proper scrutiny—my hon. Friend the Member for Thurrock (Andrew Mackinlay) always makes that point with great persuasiveness—we must look at the big picture. I think it is important that Parliament passes this motion and clears this Bill today.

This whole story goes back to what happened at St. Andrews in October 2006, when I was Secretary of State for Northern Ireland. The commitment from the Government to try to achieve the devolution of policing and justice by May last year was in that agreement. I concede absolutely the fact that my friends in the Democratic Unionist party did not sign up to that. The St. Andrews agreement was, as it were, the Government's best call of where the consensus lay. Subsequently, we got the historic breakthrough when, early in 2007, Sinn Fein signed up to supporting fully the rule of law, and policing and justice in Northern Ireland—it had never done that before. Part of that agreement, which is crucial to the peace process and was crucial to the eventual settlement that we achieved, was on the understanding that policing and justice would be fully devolved to Northern Ireland. It is very important that Parliament upholds the spirit of the St. Andrews agreement; after all, the St. Andrews legislation, which was introduced shortly afterwards, was passed by Parliament and the objective then was set for May 2008—that date has passed, but it is essential that the momentum is kept in this process. I say to the House that having been right in the thick of the negotiations with Sinn Fein and the then leader of the DUP, the right hon. Member for North Antrim (Rev. Ian Paisley), to try to get the agreement that produced the settlement and, ultimately, the devolution in May 2007, I know that the policing and justice issue was crucial, and the DUP was rightly insisting that Sinn Fein sign up to it.

Sir Patrick Cormack: The right hon. Gentleman knows full well that I admire the part that he played in achieving what was achieved in Northern Ireland—he played a very significant role—but he must appreciate that this is not a question of whether we have devolution. That is not at issue today, and there is broad agreement among the parties in Northern Ireland that they wish to move towards that. The Bill is not going to hold that process up or advance it; it is merely a necessary step. All that those of us who are arguing against the programme motion are saying is that the reputation that he and his successor have should not be spoiled by this indecent haste and undue pressure—there is no need for it.

Mr. Hain: I have a great deal of respect for the hon. Gentleman, but I must respectfully disagree with him. Having been in the position of taking emergency Bills through this House as Secretary of State in order to keep momentum in the process, which produced the very settlement that occurred in 2007, I think that this is part of it. What we are doing here today is opening the door to the devolution of policing and justice—it is for the Assembly to decide when it walks into the room. As he says, every party agrees on the principle of the devolution of policing and justice—that is not controversial. Every party agrees that it has to happen according to the Assembly's time of choosing—

Mr. Richard Shepherd (Aldridge-Brownhills) (Con) *rose—*

Mr. Hain: I just want to make these points and then I shall give way, because I do not wish to speak for too long. Everybody agrees on the principles. This Bill opens the way to that devolution, and that is why it is important to get it through in a timely fashion, today.

Mr. Shepherd: The right hon. Gentleman mentioned that he has taken emergency Bills on Northern Ireland through the House. Is he suggesting that this is an emergency Bill?

Mr. Hain: I am not taking this Bill through, and I was talking about what I had had to do—I had had to test the patience of the House. Obviously, all of us like plenty—*[Interruption.]* This is not an emergency Bill in the same sense, but it is a Bill that is vital to keep momentum in the process. I wonder why there is opposition to this programme motion; if everybody agrees on the principle, as everybody tells me that they do, if everybody says that they want to see this devolution happen, as everybody says that they do, and if everybody wants to make sure that the dissidents in the republican movement do not gain any extra purchase and the mainstream republican movement, led by Sinn Fein, is able to keep on the path to the devolution of policing and justice, why would people stand in the way of this Bill going through the House today?

Dr. William McCrea (South Antrim) (DUP): How can the right hon. Gentleman justify one day of debate in this House and two days of debate in another House? Surely this is the proper place where the elected representatives of Northern Ireland, who are voted in by the people of Northern Ireland, scrutinise legislation.

Mr. Hain: The House will have plenty of time to scrutinise this legislation—*[Interruption.]* This is a largely technical Bill. It comes from a process in which the First Minister and Deputy First Minister agreed in November last year on a way forward. The Assembly and Executive Review Committee reported in January on its conclusions, and this Bill largely implements what the Assembly wants. It is for the Assembly to decide when it delivers on the principle, so I cannot see why there is any reason to oppose a Bill that everybody says they support and that reflects the Assembly's wishes. This Parliament, in this House today, is merely giving effect to the Assembly's wishes.

Mark Durkan (Foyle) (SDLP): One of the reasons we need more time to consider this Bill is that Members such as my right hon. Friend clearly do not understand some of the details of it. It is not good enough to say that it is merely technical, because it provides for the collapse and dissolution of a Department in a few years' time, so it needs to be properly considered. He referred to legislation that he had pushed through this House. Does he recall the Justice and Security (Northern Ireland) Act 2007, which was rushed through in exactly this way? He promised us that it would be the last measure like this and that it would be the last model for the devolution of justice and policing, and he dismissed those of us who contradicted him by saying otherwise—we have been proved correct today.

Mr. Hain: I do not agree with my hon. Friend on this matter. I am not going to repeat the points that I made, but I remind the House that it is for the Assembly to decide exactly the format of the new justice Department. We are facilitating a process, and unless we keep momentum in it, it could fall over. The need to keep momentum has been the lesson over the years in Northern Ireland. We were able to get momentum in the critical period in 2006 to 2007, which has brought us up to the point where the last bit of devolution now needs to be accomplished.

Mr. Jeffrey M. Donaldson (Lagan Valley) (DUP): Will the right hon. Gentleman give way?

Mr. Hain: I have to give way to a fellow Chelsea supporter.

Mr. Donaldson: I am curious to understand what the right hon. Gentleman means by the process falling over. Is he aware of some threat that a particular party will pull the plug on the process if we do not get this through quickly? Is he seriously suggesting that if we take an extra few days to scrutinise the Bill properly, the process will fall over?

Mr. Hain: No, I did not say that. Fellow Chelsea supporters should be more charitable to each other on these occasions. [HON. MEMBERS: "They need to be."] I know that the First Minister is also a fellow Chelsea supporter, so I know that he will support me on this occasion.

I understand the need for parliamentary scrutiny, which was well expressed by the hon. Member for South Staffordshire and, I am sure, will also be well expressed by my hon. Friend the Member for Thurrock, but I urge the House not to divide on this motion.

1.20 pm

Mr. Peter Bone (Wellingborough) (Con): I beg to move amendment (a), in paragraph 1(1), leave out 'at today's sitting' and insert

'in two allotted days, which shall not be consecutive,'.

It is a pleasure to follow the right hon. Member for Neath (Mr. Hain), who is known for his support of democracy, although I was slightly unhappy with what he said. I hope that when he hears about my amendment, he will realise that it will not significantly delay progress. I intend to press my amendment to a vote, if I have the opportunity to do so.

The effect of amendment (a) would be that the Second Reading of the Northern Ireland Bill would take place today until the moment of interruption and a further day would be allocated for Committee and Third Reading. This would allow proper scrutiny of the Northern Ireland Bill. This is not a wrecking amendment. It would allow the Bill to proceed with proper scrutiny on the Floor of this House. Amendments (b) to (f) in my name on the Order Paper are consequential to amendment (a).

My interest is in the allocation of time motion, which I believe dilutes parliamentary debate and scrutiny and, therefore, our democracy. I will not be talking about the Northern Ireland Bill itself, as that should be left for Second Reading, which, if my amendment were carried, would continue until the interruption of business this evening.

The Executive have put Parliament in a real Catch-22 situation, because the longer that we take to debate the allocation of time motion, the less time we will have to debate the Northern Ireland Bill. Parliament has been given three hours to debate the allocation of time motion and, if the debate runs the course, that will give MPs only one hour for the Second Reading of the Northern Ireland Bill. If there are Divisions, Second Reading could be reduced to the farcical time of just 30 minutes, giving time only for the Minister to speak and no proper debate. This is a gross abuse of Parliament by the Executive. It is electoral dictatorship by a control-freak Executive. There is, of course, a strong argument for debating this allocation of time motion for the full three hours, which would involve Parliament actually standing up to the Executive. Not even this Government would dare to proceed on the basis of a Second Reading debate of only 30 minutes.

[Mr. Peter Bone]

It is important to set out the reasons why all stages of the Northern Ireland Bill should not be read on one day. Let us consider the circumstances in which the Government can legitimately push through all the stages of legislation in one day. I understand that in national emergencies, such as those relating to terrorism, or when introducing economic measures that are extremely market sensitive, a swift progression through Parliament is needed. However, the Northern Ireland Bill is not one of those, as the right hon. Member for Neath has conceded. The Bill is a complex piece of legislation that changes the Northern Ireland Act 1998, the Northern Ireland Act 1978 and the Justice (Northern Ireland) Act 2002. Those Acts were not uncontroversial, and amendments to them need proper scrutiny by Members of Parliament.

Since 1997, only 15 Bills have been pushed through the Commons in all their stages on one day. Let us look at the type of Bill that has gone through and the precedent that that creates for this allocation of time motion. On 4 April 2001, the Elections Bill went through all its stages on one day. That was due to the national crisis caused by the foot and mouth epidemic. On 2 September 1998, parliament was recalled from its summer recess to pass the Criminal Justice (Terrorism and Conspiracy) Bill in all its stages as an urgent response to the terrible Omagh bombing. On 19 February 2008, the Banking (Special Provisions) Bill was passed in relation to Northern Rock and therefore needed to be rushed through the Commons. The House sat until midnight on that day.

None of the exceptional circumstances to which I have just referred applies to the Northern Ireland Bill. If this guillotine motion goes through, the Government will have set a dangerous precedent for curtailing debate and excluding proper parliamentary scrutiny on controversial issues. This is an abuse of Parliament and democracy, and normal rules are being abandoned so that the Government can get things through on the nod.

I have a lot of respect for the Secretary of State, but the arguments that he made today were rather weak. The Government have stated that the Northern Ireland Bill needs to pass through this place in one day to fit in with the schedule of the Northern Ireland Assembly. The Deputy Leader of the House stated last Wednesday in the Business of the House debate that

"The House requires speed only because there will be further stages after the Bill completes its passage here—namely, a Bill in the Assembly to establish the department of justice and a resolution by the Assembly, followed by Orders in Council, which must then come before the House."

However, that is simply not true.

In the same debate last Wednesday, representatives from both sides of the Northern Ireland divide stated quite clearly that there was no rush for this Bill to go through and that time should be given for proper scrutiny. Moreover, several Northern Ireland Members who also sit on the Northern Ireland Assembly were not aware of any time limit given by the Assembly to the Government. The hon. Member for Belfast, North (Mr. Dodds) said that

"the urgency on this matter seems to be coming entirely from one direction—the Government."

The hon. Member for Foyle (Mark Durkan) stated that:

"Legislation for the optics, especially to suit a party that is not here, is not the best way for this House to conduct its business."—[*Official Report*, 25 February 2009; Vol. 488, c. 328, 334-335, 336.]

It seems to me that the only party that is keen for this Bill to be rushed through is Sinn Fein, which does not even bother to take its seats in this Parliament. I sincerely hope that the Government have not been pushed into rushing something through by one absent party. There are parties in Northern Ireland that take Parliament seriously and that want more time to debate such an important Bill, which will have major consequences for their constituents.

I wish to praise all the hon. Members representing Northern Ireland constituencies who take their seats in Parliament, whatever their political persuasion. Their dedication to the cause of peace and stability in Northern Ireland is highly commendable. I also wish to congratulate my Front Bench team, who work tirelessly and effectively. My hon. Friends the Members for North Shropshire (Mr. Paterson) and for Tewkesbury (Mr. Robertson) work extremely hard on the complex task of bringing devolution to Northern Ireland while at the same time ensuring the Union of Great Britain and Northern Ireland.

Another argument why this Bill must be pushed through could be that we lack the space in the parliamentary business calendar to be able to spare any more time to debate it. But we all know that this is one of the lightest Sessions we have ever had. We will sit for only 128 days this year, of which 13 are reserved for private Members' Bills. There have been several occasions in this parliamentary year where debates have collapsed and sittings have ended way before their time limit due to the lack of business. Yesterday the House adjourned at 8.44 pm rather than 10 pm. Only last Wednesday, the business finished at 3.58 pm rather than at 7 pm. Lack of parliamentary time cannot be an excuse for this motion.

So how does this motion fit with the principle of Parliamentary sittings? The current timetabling for parliamentary sitting is broadly based on the Jopling reforms, which encompass three principles. First, the Government must be able to get their business through and, within that principle, ultimately control the time of the House. Secondly, the Opposition must have the opportunity to scrutinise the actions of Government and to improve or oppose legislation, as they think fit. Thirdly, Back Bench Members on both sides of the Chamber should have reasonable opportunities to raise matters of concern to their constituents.

If the Executive were to come to their senses at this stage and agree to my amendment that there should be at least one day's gap between Second Reading and Committee and Third Reading, all three principles would be met. That is exactly what amendment (a) would do. Clearly, the second and third principles are not being met. It is apparent to all that Parliament has more than enough time in this, the lightest of parliamentary years, to allow for separate days so that MPs have time to debate and scrutinise the Bill. Committee and Third Reading should not be on the same day as Second Reading, as required by the motion. My suggestion is that Second Reading should be held on one Wednesday—today—and that Committee and Third Reading should be held on a subsequent Wednesday.

Sir Patrick Cormack: Will my hon. Friend hold hard a minute? Wednesday is the day when the Northern Ireland Committee always meets. We have lost one day today and we do not want to lose another. We can hold those debates on Tuesday, Thursday or Monday, but not on Wednesday.

Mr. Bone: I apologise for my error. Of course, I agree with my hon. Friend.

Standing Orders have been ignored today to rush through all stages of the Bill. Standing Orders have been developed over a long period of time so that the Executive cannot abuse their power. The Government seem to have no regard for Parliament or its procedures, which have been in place for so long. They want to microwave legislation. The motion, unbelievably, takes up four pages of the Order Paper to undo all the protections for debate provided to Members of this House. It is 17 paragraphs long with many sub-paragraphs. If it contains so much detail, should we not be suspicious of the intent?

It always makes me very nervous when it is said that the procedure is agreed through the usual channels. That is not acceptable, in my view, and it does nothing to promote transparency in parliamentary procedure. That is why I have argued for a long time for a business Committee made up of senior Members from both sides of the House to manage parliamentary procedure and the legislative progress. If that Committee had been in existence today, I would not have had to move amendment (a).

The Northern Ireland Bill is not a straightforward and simple piece of legislation that can be pushed through on the nod. It is a complex piece of legislation that will have historic significance for the people of Northern Ireland. Even if it were not complex and controversial, it should still not be hurried through in a day. Normal procedure should apply. It is unacceptable that the Government, who state their pride in working for so long to facilitate peace in Northern Ireland, should now want to rush this through.

A major role of Members of Parliament is to scrutinise and review legislation. It is a well-known fact that the better the scrutiny, the better the Bill. One major role of MPs is to hold the Executive to account. The Secretary of State for Justice and Lord Chancellor, when he was Leader of the House, summed it up perfectly when he stated in a Business of the House debate:

> "Indeed, the role of Parliament—both sides of the House as well as the other place—is to scrutinise Government proposals and to make its own decisions about the way in which matters are handled. My hon. Friend will recall from the time when he was Chairman of the Home Affairs Committee and I was Home Secretary that, although it was sometimes uncomfortable, there was not a Bill that was not improved as a result of scrutiny."—[*Official Report*, 16 November 2006; Vol. 453, c. 138.]

It is a shame that the Government do not agree with him.

There is no doubt that one of an MP's most important roles—I would argue that it is the most important—is to hold the Executive to account. The motion removes that role, and it is appalling that the Government should try to stifle that essential function. I have long campaigned for more transparency and debate in Parliament, and I strongly believe in strengthening the role of the Back Bencher. The erosion of Parliament's power to scrutinise and debate has been a long-adopted approach by this Executive, and the motion is a step too far.

The situation that we, as parliamentarians, find ourselves in is well explained in the conclusion of the Modernisation Committee's report, "Revitalising the Chamber: the role of the Back Bench Member", which is extremely relevant to the motion and amendment (a):

> "It is probably true that Parliament is more effective at sustaining an executive than holding it to account. There is clearly an inherent tension between these roles and it is inevitably difficult to sustain a perfect balance...In the final analysis, the strength and vitality of the House of Commons and Parliament as a whole depends upon the efforts and behaviour of its Members and the emphasis they place on their scrutiny and accountability role."

In this motion we see the complete imbalance of parliamentary power.

Kate Hoey (Vauxhall) (Lab): I have heard enough of what the hon. Gentleman has said to agree with him on this point. Northern Ireland should be back in the UK fold of normality, and we should do things the same way as we do everything else, but we are rushing the Bill through in one day. It seems reasonable to say that there is plenty of time to do this—we have been waiting a long time for the Bill, and these things might not happen for some time. Does the hon. Gentleman agree that we are sending out absolutely the wrong signal and suggesting that Northern Ireland is still something different, special and almost terrible and that we need to treat its legislation in a different way?

Mr. Bone: I am grateful to the hon. Lady for that intervention. I agree entirely and I do not see why the Government are doing this, as it sends out the wrong signals. There is something behind what the Secretary of State said. Perhaps it is the pressure from Sinn Fein—I do not know—but something outside this House is driving the Government to take this extraordinary measure. They have not come clean on what that is, so I think that they should not be allowed to steamroller through the Bill.

Individual Members of Parliament place a great deal of importance on scrutiny and accountability, and a problem arises when the Executive try to deny us that right. The Government have declared that amendments must be tabled before Second Reading, which is ludicrous. The Government are asking MPs to table amendments before we have had the chance to hear what the Minister has to say. How can an MP properly table amendments, when they have not heard the detail and the arguments? Despite that difficulty, 26 amendments have already been tabled. The Government were forced to produce a 53-page document and a 20-page document—I have them with me—on additional information relating to the Bill. Those documents were produced only yesterday. How can those documents and amendments realistically be scrutinised, if the Bill goes through all its stages today? It is just not possible.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): Does the hon. Gentleman agree that it is an indication of the complexity of the matter that the Northern Ireland Office and the Bill team, who are a very capable bunch of lawyers, had to have two goes at getting the documents right?

Mr. Bone: I am very grateful for that intervention. It was extraordinary that those two documents, which have the same title, were produced. I understand that

[Mr. Bone]

the House authorities demanded that they should be produced. It is impossible to study the documents and the amendments and to deal with them all today. It is a farce.

The whole point of parliamentary procedure and the reason why legislation is not, as a matter of course, passed through in all its stages on one day is that we need to ensure the fullest accountability and debate. Why do the Government feel the need to abuse their power by limiting scrutiny? It is disgraceful that MPs are not allowed the time to scrutinise and debate such an important Bill. It is high time that the Executive stopped their abuse of power and their attempts to dilute parliamentary procedure.

I believe that I have now shown that every possible reason the Government might have for pushing through the Bill in one day is not valid—*[Interruption.]* I am going to disappoint my hon. Friend the Member for Preseli Pembrokeshire (Mr. Crabb), as I shall not be able to continue for another two hours, but I hope that I have articulated the reasons why Parliament should be given adequate time for debate and scrutiny. There is no reason as far as I can see why there cannot be gap of at least one day between this Bill's Second Reading and its Committee stage and Third Reading.

In conclusion, I refer the House to the view of Professor Dawn Oliver of University college London expressed in a memorandum to the Modernisation Committee:

> "Does scrutiny of legislation matter? Yes, it is absolutely vital that legislation be carefully and clearly drafted, that it fits with the existing law, that it does not override important constitutional principles and human rights without Parliament realising that it is doing so and doing so deliberately. These are not party political issues, they are to do with respect for and workability of the legal system, respect for constitutional values, international obligations, human rights and so on, which ought to be above party.

I urge the Government to remember that.

If I have the opportunity, Madam Deputy Speaker, I look forward to pressing amendment (a) to a vote.

1.41 pm

Andrew Mackinlay (Thurrock) (Lab): It is a pleasure to follow the hon. Member for Wellingborough (Mr. Bone). I agree with everything that he said, with two exceptions. First, he said that we would be creating a precedent if we let the Secretary of State get away with this, but unfortunately he is wrong. The precedent was created before, and the current Secretary of State is only the latest in a long line of serial offenders. One of his predecessors, my right hon. Friend the Member for Neath (Mr. Hain), whom I love very much, is in the Chamber, but he was also guilty of the same thing when he was a Secretary of State. It is time that we in this place stood up and said, "Thus far, and no further!"

I disagree with the hon. Member for Wellingborough on a second point, in this case his congratulatory remarks to the spokesperson for the UCUNF. I think that the name Ulster Conservatives and Unionists—New Force is the latest title for the Opposition. The hon. Gentleman outlined how he protested last Wednesday about how the Bill was going to be dealt with, but I can give him only five marks out of 10, because he failed to fulfil what I consider to be the duty of an Opposition Member. He should have objected and joined me in my protest, as the problem goes beyond our being asked to deal with the Bill in one day.

Some hon. Members may be bored stiff by these matters but—short of running naked across Parliament square—I am not sure what more I can do to draw attention to them. However, the hon. Member for Wellingborough did not join me in protesting about the fact that we were going to deal with the Bill all in one day. Front Benchers from the main parties are both the same, and they are both to blame.

Mr. Hain: Given my hon. Friend's threat to run naked, I am rather worried about his expression of love for me. However, I plead guilty to being a serial offender on Bills such as this, because that approach is what has brought the immense progress that has been achieved in Northern Ireland.

Andrew Mackinlay: It is incredible that successive Secretaries of State should suggest that the whole process would collapse if the House of Commons were not to deal with Bills like this in a single day. That is breathtaking in the extreme.

Mr. Peter Robinson (Belfast, East) (DUP): I support the Bill, but I also support allowing more time to discuss it. The critical feature for me, my colleagues and the whole Unionist community is the issue of confidence before policing and justice powers are devolved. Does it grow confidence to deal with this Bill in the constitutionally tacky way proposed today? The Government's approach will reduce confidence among the unionist community, because it will probably cause many of the good proposals in the Bill to go unreported.

Andrew Mackinlay: The right hon. Member for Belfast, East (Mr. Robinson) speaks for his people, and he is correct about Parliament's duties and expectations. One reason for having a Committee stage is to fine-tune legislation, not to oppose it. A Committee stage allows us to probe and understand the problems and to consider whether all eventualities have been taken into account. It also enables us to indicate and flag up any omissions in the Bill.

Sir Patrick Cormack: Does the hon. Gentleman accept that many Bills passed by this House in relatively recent years—such as those relating to dangerous dogs or Dunblane—were based on consensus and yet were dreadful pieces of legislation?

Andrew Mackinlay: That is absolutely so. If we make legislation in haste, we make it badly. Moreover, the approach adopted by the Government can be the thin end of the wedge, as other Ministers on other occasions can say that it is imperative to pass a Bill.

I return to my central point, which is that, if the many hours spent in Committee or on Report are to have any purpose or meaning, they must ensure that we avoid any unforeseen elephant traps in a piece of legislation by crafting it in the best possible way. That is precisely what we are not doing by seeing this Bill through all its stages in one day. Restricting all stages of this Bill to one day is also an abdication of our responsibility. The House of Lords will devote two days to the Bill, and its

Members will be aware that the House of Commons did not really look at some of the issues that will be touched on by speakers later this afternoon.

In his brief remarks earlier, the hon. Member for South Down (Mr. McGrady) touched on something that I had not totally understood. I endeavoured to grapple with the detail and complexity of the Bill in order to table some amendments that I hoped would either improve the proposals or give us greater understanding of what the draftsmen intended. However, it looks as though I did not take full cognisance of one of the points that the hon. Gentleman referred to—that is, what will happen if there is a failure to agree.

I also notice that our friends in the Social Democrat and Labour party have tabled amendments that relate to the judiciary rather than to policing. I want to examine the inferences and implications of those amendments, but there is no opportunity to do so. This Bill, which is being passed in one day, would, if it related to England and Wales, be pored over by this House and by another place. As a result, errors might occur that could have serious consequences in a particular case, and they might also cause additional and unforeseen political confrontation some way into the future.

Reference has been made to the two documents that the House authorities, to their eternal credit, squeezed out of the Northern Ireland Office. However, those documents arrived too late. I understand that the correct technical term is to say that the documents are covered by the "Keeling schedules". In 1937, the then Speaker, Sir Edward Keeling, sent a memo to the Prime Minister of the day, saying that they had to ensure that the House of Commons was fully acquainted with the consequences of legislation that amends other primary legislation in detail. That memo set an extremely important precedent for the documents before us today. However, a glance through the Keeling schedules relating to this afternoon's business reveals the complexity of the task before us and makes it clear that we need to make cross-references. Unfortunately, the two documents to which I have referred arrived too late for all that.

The Alliance Party of Northern Ireland party has not been mentioned yet this afternoon. I think that the Liberal Democrat party may act as its agent in this place, and I look forward to hearing the Alliance party's opinion about these matters. However, it would have been good to have time to discuss the Keeling schedules and some of the amendments with the Alliance party itself, as one might say that it is the unspoken elephant in the room. I may be wrong, but I think that the intention is that someone from the Alliance party—perhaps they have been anointed—will occupy the Ministry of Justice post. It would certainly be sensible if hon. Members in the Commons at least had the opportunity to discuss the proposed amendments in detail with members of that party. That, of course, has been denied to us.

Dr. McCrea: Will the hon. Gentleman be very careful in what he says? The elephant could jump down from the Gallery.

Andrew Mackinlay: It is interesting that they made an effort to be here. I do not want to labour my point, but this really is a bad day for Parliament, and we should be ashamed of ourselves, collectively, if we approve the railroading through of the Bill. No doubt the Secretary of State will say, "This is a one-off," but it is not. Unless we give the Government aggravation, the same thing will happen time and again. It is not a Northern Ireland issue, but a United Kingdom issue. It is about the veracity and diligence of this Parliament. I am not prepared to acquiesce in such railroading by my silence.

1.50 pm

Mr. Alistair Carmichael (Orkney and Shetland) (LD): As ever, it is a pleasure to follow the hon. Member for Thurrock (Andrew Mackinlay). I unexpectedly find myself designated the spokesperson—

Andrew Mackinlay: The agent.

Mr. Carmichael—the agent for elephants, whether in the room or elsewhere. I look forward to a day when the elephants might gain membership of this House and speak for themselves. If I live to be 100, I shall never understand the logic that the Government employ in drafting timetable motions. We see on today's Order Paper that consideration of the allocation of time motion can last for up to three hours. The entire time available for consideration of that motion and Second Reading is four hours so, as the hon. Member for Wellingborough (Mr. Bone) pointed out, it is quite possible that if we used the three hours, and there was then a Division, we would have significantly less than an hour for the Second Reading of a constitutional Bill. It is because it is a constitutional Bill that all stages are, quite properly, to be taken on the Floor of the House.

Thereafter, we are allowed two hours for debate in Committee and on Third Reading. I consider that wholly inadequate. Given the number and range of amendments tabled and selected for debate in Committee, it is pretty clear to me that we will not have anything like a Third Reading debate; we will not even have a proper Committee stage. If ever there was a Bill that needed a proper Third Reading, this is it. Third Reading debates are pretty much a poor shadow of what they used to be. If there is a Division on Second Reading, we Liberal Democrats will support the Bill. Thereafter, in Committee, we will consider a number of significant amendments, which we will seek to press to a Division. If those amendments are not accepted, my party may well wish to reconsider our support for Third Reading, but we will be denied that opportunity, and we will not be alone in that.

It is pretty clear that we are being asked to railroad through legislation, and although there may be a degree of urgency, it is not, by any definition, an emergency. As a consequence, we will create a procedure that is fundamentally flawed and defective. I have previously been involved with Northern Ireland Bills that were dealt with in one day in the House. We always co-operated in those cases. I think back to my involvement with the Bill that had to be brought forward to cancel Assembly elections—I think that was in 2004. That was clearly an emergency; this is not. Even if we insisted on sticking to the Secretary of State's timetable—he says that the timetable must allow consultation in Northern Ireland to start in the middle of March—it would still be possible for us to have two days' full consideration of the Bill.

Tomorrow, the House has an Adjournment debate. On Monday, we have a second day on estimates. There is absolutely no reason why we could not put that

[Mr. Carmichael]

business off to some other day, and instead deal with the Bill then. In fact, we should do so. This is not just about the progress of the Bill, but about this House taking responsibility for, and control of, its own business. Bills will be railroaded through in this way for as long as we continue to allow it to happen. The situation will never get any better.

Sir Patrick Cormack: The hon. Gentleman makes a most excellent point about Monday. Would it not serve the interests of the Bill, of Northern Ireland and of the House of Commons above all, if the Secretary of State dispatched his Parliamentary Private Secretary to speak to the Leader of the House, to try to arrange a second day for the Bill on Monday? Then we could finish our debate on the allocation of time motion, get on to the substance of the Bill, continue until 7 o'clock, and do the thing properly.

Mr. Carmichael: Yes, that is an eminently sensible approach. I am sure that the hon. Member for Wolverhampton, South-West (Rob Marris), the Secretary of State's PPS, is keen to have the exercise, and is more than fit for the task. It appears that the logic—I use the term in the loosest possible sense—that the Government bring to the timetable is that the amount of time available should be inversely proportionate to the political substance of the debate. That is wrong, and if the House accepts that logic, we do ourselves, and the people of Northern Ireland, no favours.

1.56 pm

Kate Hoey (Vauxhall) (Lab): It is a pleasure to follow the hon. Member for Orkney and Shetland (Mr. Carmichael), who said that he did not understand the logic of Government timetabling. I am not sure that I understand the logic of the official Opposition, who seem to support the motion. I may be wrong, but it is amazing if it is true that they will not support the amendment tabled by the hon. Member for Wellingborough (Mr. Bone). I am shocked by that.

Mr. David Heath (Somerton and Frome) (LD): I agree with the hon. Lady about the Conservative Opposition's view on the subject, but I am afraid I can easily see the logic of the Government's position: it is crudely to bully the House into acquiescence, to ensure that they can steamroll through legislation in this abbreviated fashion.

Kate Hoey: I would have made more or less the same comment, but the hon. Gentleman puts it slightly better than I would have done—although I would perhaps have put it more tactfully.

Mr. Paterson: The hon. Lady may have missed my earlier comments. The original plan, which was appalling, was to publish the Bill last Monday and to have Second Reading on Wednesday. Through the usual channels, we got an extra week, but I have said that the situation is highly unsatisfactory. I am in total agreement with virtually every Member who has spoken, but because the Government have a majority—I am being completely brutal and practical—every minute that we speak eats into the time for Second Reading and, more importantly, consideration of the amendments. I have not made any statement on how we will be voting.

Kate Hoey: I thank the hon. Gentleman for that, but that is a little play with words. We are talking about serious issues—not just to do with democracy and the House, but the issues in the Bill. I really do not see that an extra 12, 13 or 14 minutes spent on a Division will make that much difference. One or two of my colleagues have been muttering about time wasting, and have said that the longer we go on for, the less time there is for debate. I am fed up with that attitude; it is almost blackmailing, if I can use that word, Madam Deputy Speaker. It is blackmailing, almost implying it is our fault that we will not have a great debate, because we are all talking about the guillotine motion. The Secretary of State and the Government should have understood that it would cause problems if they sought to get a guillotine motion passed so that they could get the whole Bill through the House in one day. They should have understood that a lot of people would want to make their views known. Unless we all speak for just 10 seconds, that will inevitably take time. Moreover, as the debate proceeds, those who may not have intended to speak are more likely to wish to do so, and we will end up with a very short time indeed.

Mr. Bone: The hon. Lady makes a powerful point. Does she accept that if my amendment were accepted, Second Reading would continue today, so it would not be lost, and all that is necessary is for the Secretary of State to agree with the amendment?

Kate Hoey: In my own way I was getting round to saying precisely that. The Prime Minister may not be in the country, but I hope that at some stage someone will make it clear to him that the way this matter has been handled will lead to all sorts of problems for the legislation in Northern Ireland. Many of the parties have held different views on devolution on these difficult issues, but gradually a consensus is developing on what should happen and how it should happen. The last thing that people in Northern Ireland need is to feel that they and their politicians are being patronised as a result of the way this Bill is being pushed through in such a short time. What matters is the confidence of people in Northern Ireland. The idea that the only way to move the process forward—the great phrase that has become the mantra of so many Front-Bench spokesmen—is by driving a coach and horses through the usual way we deal with business in the House is shameful.

The Secretary of State must understand the anger that this is causing. There is no need for this to be happening. We have time next week to get this Bill through without having to go to these lengths. If we are serious about Northern Ireland coming into the political arena with a normalisation of politics there, we must treat Northern Ireland legislation in the normal way. There were times when that was not possible, and at various times we all had to vote for measures that we did not want to see dealt with so quickly but which were important and necessary. But this measure is not so urgent that it cannot be dealt with in the normal way. As well as appealing to the Secretary of State to listen to what has been said, to change his mind and to allow Second Reading to be dealt with today, and to come back with a different timetable, I plead with the official Opposition not to take the line that they have chosen, and to come out and vote solidly to show that they believe that this approach is wrong. If something is wrong, we must vote against it.

2.3 pm

Sammy Wilson (East Antrim) (DUP): I have listened to the arguments from both Front-Bench spokesmen, but I am unconvinced by the Secretary of State's argument that there is an urgency here, or by the urgings of the shadow spokesman that we should have less debate on the programme motion and more on the amendments. I remind him that as we are not members of his new force, we do not feel under any obligation to take orders or commands from him.

As the Secretary of State has made clear, much of the Bill has been discussed with Assembly Members and parties, and we are largely in agreement with its main thrust. But just because the Assembly has agreed it, and just because Members in another Administration in part of the United Kingdom have agreed it, that does not mean that this House should not have the opportunity to scrutinise it. Eventually it is this House that will take ownership of it and have its imprint on it. Therefore, Members of this House, who have not had the opportunity to debate in the Northern Ireland Assembly but who will be held accountable for the Bill, should have the opportunity properly to debate the issues now.

The Secretary of State said that all he wished to do was to give form to the Assembly's wishes, but there was no sense from Northern Ireland politicians that the measure had to be dealt with post-haste, or today, or that it had to be in place by a certain date at the end of March. Assembly Members are quite relaxed about it. As a number of hon. Members have already pointed out, the passing of this legislation will not bring about the devolution of policing and justice tomorrow anyway. We wish to see the devolution of policing and justice, and we wish to put that on the record, but we have always insisted that it must be done against the background of community support and confidence—

Sir Patrick Cormack: And trust.

Sammy Wilson: Indeed. That is the only way that the devolution of policing and justice will work in Northern Ireland. If there is an attempt to force it, all the problems that hon. Members have described, such as the danger of collapse, are likely to occur. We wish to work towards a situation where there is trust. Of course we want these powers devolved, but only in that context. As the right hon. Member for Belfast, East (Mr. Robinson) said, there is great danger in pushing legislation through the House, particularly since the Unionist parties are not asking for it, the SDLP is not asking for it, and even the elephant party is not asking for it, although the description of the Alliance party as an elephant party is stretching the imagination a little. It may be the party of mice, but it is certainly not the party of elephants. Elephants would certainly not reflect their electoral support.

The only conclusion that one can come to is that if the Secretary of State sees this as urgent, that urgency must have been pressed on him by one party alone, and that is Sinn Fein. If we are to have legislation pushed through the House in an abnormal way, and it is seen to be in response to demands from Sinn Fein, the very confidence and trust that are required to move forward the devolution of policing and justice will be eroded.

Sir Patrick Cormack: Like the on-the-runs legislation.

Sammy Wilson: Like the on-the-runs legislation. The Secretary of State's argument about the demands from the Assembly cannot be used to back up the urgency with which this measure is being pushed through.

The Secretary of State said that we want to have this measure in place so that we can have the devolution of policing and justice when the Assembly is ready. The Assembly is clearly not ready. Leaving aside the whole issue of trust, the Assembly and Executive Review Committee is still considering aspects of policing, not least the police budget and whether we want the devolution of policing and justice when there is a £170 million hole in that budget.

Dr. McCrea: Members of that Committee have acknowledged that the further they go into this issue, the deeper and blacker the hole becomes. That matter must be dealt with forthrightly.

Sammy Wilson: That is the point. If the Secretary of State's argument is that we want the legislation in place for when the Assembly is ready to accept the devolution of policing and justice, there is no indication of that being a cause for urgency from Northern Ireland.

My next point was raised by the right hon. Member for Neath (Mr. Hain), the former Secretary of State, who is not in his place now. He went even further in making the case for why what I have mentioned was essential. He talked about the commitments given at St. Andrews, the fact that Sinn Fein had come on board on policing and supported the police only because of certain commitments on the devolution of policing and justice, and the fact that in the past that kind of method had been used because it was an absolute necessity for progress. If we take the right hon. Gentleman's argument to its logical conclusion, we reach the point mentioned by the hon. Member for Vauxhall (Kate Hoey): it all becomes tantamount to blackmail—"If you do not do this, somehow or other the commitment that Sinn Fein has given to policing will evaporate. It will no longer be prepared to sign up to policing. This is necessary for progress." I am not accusing this Secretary of State of employing that argument; nevertheless, it was employed by those who support the pushing through of this legislation as the Secretary of State is seeking to push it through.

By and large, we are content with the thrust of this legislation. We are also content that other legislation put in place in this House addresses the fears of people in Northern Ireland and ensures that a Member previously associated with a terrorist organisation, even with acts of terror, could not be the Minister for policing and justice. We are content with all that, but I accept that some Members have difficulty with this legislation, wish to move amendments or, in the case of the hon. Member for Thurrock (Andrew Mackinlay), want to use the mechanism available to probe the legislation and ensure that there are no mistakes or weaknesses in it and that any changes to improve it can be made. All that requires that there be proper debate and a proper system to deal with the issues.

I make one last point, which was also made by the hon. Member for Vauxhall. As a Unionist, I wish Northern Ireland to be treated in the same as any other part of the United Kingdom. That means that Northern Ireland legislation—technical or not, politically important

[Sammy Wilson]

or not, ordinary and mundane or not—should be treated in the same way as legislation for the rest of the United Kingdom. We deserve that. In the past, there were excuses. There was what was described as "temporary direct rule" and we used Orders in Council. Those days are past; the Northern Ireland Assembly is dealing with most of the legislation that we were told had to go through in that form.

The House has no massive time commitments on Northern Ireland legislation. Indeed, what makes it more galling is that there is plenty of time. It is not as if we are being squeezed out because the House has to deal with other issues of such national importance that Northern Ireland has to be dealt with differently. Yesterday the House finished early, and I do not know how many times this Session we have not used up the full allocation of time. It is even more insulting for people in Northern Ireland to find that, when there is time, it cannot be allocated for important legislation that will put in place structures for the administration of policing and justice when it is time for those to be devolved to Northern Ireland. I hope that the Secretary of State will rethink the position for that reason, because the arguments have been weak and spurious, and because he owes the people of Northern Ireland the same treatment as that received by those in other parts of the United Kingdom.

2.14 pm

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): Everyone who has spoken and everyone present in the Chamber wishes Northern Ireland well and hopes that the processes will continue and bring about an ultimate solution that is satisfactory to all the people who live in Northern Ireland.

I commend the amendments tabled by my hon. Friend the Member for Wellingborough (Mr. Bone). They are essential, de minimis amendments—the very least that could be done. The Secretary of State and my hon. Friend the Member for North Shropshire (Mr. Paterson) saw the position as merely a technical reissuing of previous guillotine motions.

Mr. Paterson: May I clarify the issue again? I am just being brutally practical. Sadly, the Government have control of Parliament; the Executive have the power to decide time. We have some important amendments that we want to introduce and we bitterly regret the position, but the fact is that we will not be able to explain the amendments in this democratically elected House if we do not have the time. I entirely endorse my hon. Friend's beliefs, and he knows perfectly well how I feel about this. However, I am just being practical this afternoon—as we speak, the Executive have control of the time. I have not said how we will vote on the issue; I have been clear about that. I am just being absolutely practical about the time that could be spent speaking to the amendments.

Mr. Shepherd: I do not know whether that is a clarification, but I will accept it for what it was.

I was not going to come to this point immediately, but the former Secretary of State referred to it and it was explicit in what my hon. Friend the Member for North Shropshire said, although not in what the Secretary of State said. Normally, these three-and-a-half-page constructed guillotines are taken automatically by the Executive, who have become so accustomed to them. The guillotine motion has been included in the time for the Second Reading debate. This has been a long-argued case—in respect of almost every Northern Ireland Bill, too. It behoved the Secretary of State's predecessors to say, "If you discuss the process of Parliament and scrutiny, you are taking away from the consideration of the substantive issue before the House." That is an entirely artificial construct. What does it suit? The Secretary of State made no case that this was an absolute emergency that demanded delivery on this day. When asked, the former Secretary of State got perilously close to stating the need for "hit you on the head" guillotine motions in emergency legislation.

In fact, when my hon. Friend the Member for Wellingborough was speaking, a piece of paper fluttered on to the Bench, and he kindly allowed me to read it. It said, "Peter—would be helpful if you start to wind up. You've had 20 minutes, eating into debate time." I cannot imagine which Government Whip could have gone as far as to suggest that an hon. Member may not make his case. But that case was not used by the Secretary of State. All the arguments have been presented—in my speech, in those of Labour Members and in those of Members who represent Ireland—[HON. MEMBERS: "Northern Ireland!"] Northern Ireland, I should say. Those arguments have been about why this motion should not constrain the debate on Second Reading.

Mr. Heath: I am grateful to the hon. Gentleman, not least for exposing the collusion between Conservative and Government Front Benchers on this issue. May I take him back to something that he said earlier, which is very important? The amendment tabled by the hon. Member for Wellingborough (Mr. Bone) is de minimis: the minimum. If it were passed, our proceedings would not represent normal consideration of a Bill in this place. The amendment proposes streamlined emergency consideration put into just two days of parliamentary debate. We should not see it as a normalisation of the treatment of Northern Ireland legislation, but merely as something that is not as bad as what the Government are proposing.

Mr. Shepherd: The hon. Gentleman has provided the emphasis on which I was going to build up to a conclusion. He is absolutely right.

There is no opposition to the substance of the measure before us. As the former Secretary of State said, it is a largely technical matter involving some very important issues that need consideration. It is fairly safe to say that most English and Scottish Members will wish it good will and let the debate take its form, for this is the Parliament of us all. I was hoping not to abuse anyone in this, but simply to ask the Secretary of State to have an urgent word with the business managers. We did not need this motion; it is not necessary. He did not make a case for it, in all fairness, and he knows it. The only person who tried to argue for it was the former Secretary of State, who elided the concepts of technicality, process and emergency in such a way as to try to give a certain sense of urgency. As has been said in this Chamber before, anyone who studied law, as quite a few of us did, will remember from Maine's "Ancient Law" that justice lies in the interstices of procedure. Nothing is a merely procedural matter. It is very important to justify this to those whom we represent, and especially to those who represent the Province that will have to bear this legislation.

I implore the Secretary of State for Northern Ireland to withdraw this motion or, if he cannot do that, to take the de minimis approach proposed by my hon. Friend the Member for Wellingborough.

2.22 pm

Mr. Bone: This has been an interesting debate on the amendment. As my hon. Friend the Member for North Shropshire (Mr. Paterson) said, we are in a Catch-22 situation: the more time we take, the less time there is for the Second Reading debate. However, if my amendment were successful, we would be able to continue a Second Reading debate for the rest of the day. I hope that when I press it to the vote Government Members will agree to it so that we can move forward.

Mr. Woodward *rose—*

Mr. Bone: If the Secretary of State wants to agree to it, it may not have to go to a vote; otherwise, I will press it.

2.23 pm

Mr. Woodward: I fear that I will have to disappoint the hon. Member for Wellingborough (Mr. Bone). I hate also to disappoint the hon. Member for Aldridge-Brownhills (Mr. Shepherd).

Of course, this is more than a procedural matter, albeit that it contains a number of technical issues. I say in response to my hon. Friend the Member for Vauxhall (Kate Hoey) that of course we are serious. There is no question but that this is a very serious issue; that is why we are setting about it in this way. I would say to the Conservative shadow spokesman that nothing in the Bill is a surprise. If he had read the report of the Assembly and Executive Review Committee, which was published six weeks ago, and followed its work, he would have seen that the legislation reflects that work. He would also have noted that the Assembly itself managed not only to pass the debate motion, but to do so with a full debate in a little less than two hours.

Sir Patrick Cormack: I made my argument today in sorrow, not in anger. Why cannot the Secretary of State accept the validity of the points that have been made time and again from all parts of this House—all the Northern Ireland parties represented in this House appear to agree on this—and give us a little more time? We will have two hours to debate the Second Reading of an important Bill. He could make himself a real reputation if he allowed us to continue that debate until 7 o'clock tonight.

Mr. Woodward: Again, I am afraid that I am going to disappoint the hon. Gentleman and resist acquiring that particular reputation.

I ask hon. Members not to divide the House on this issue. I fear that they will do so, but it is obviously a matter for Parliament. My hon. Friend the Member for Thurrock (Andrew Mackinlay) suggested that it would be a bad day for Parliament if we proceeded in the way proposed. I would qualify that by saying that this will be another day when Parliament will have played its part in helping to build a very different Northern Ireland—a Northern Ireland based on peace and prosperity. Even if there are disagreements in the House on procedure, this will be a very good day for Parliament. I thank my hon. Friends.

Question put, That the amendment be made.

The House divided: Ayes 213, Noes 276.

Division No. 53] **[2.26 pm**

AYES

Afriyie, Adam
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Baker, Norman
Baldry, Tony
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Durkan, Mark
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Gove, Michael
Gray, Mr. James
Green, Damian
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hoban, Mr. Mark
Hoey, Kate
Hollobone, Mr. Philip
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Keetch, Mr. Paul
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter

Mackay, rh Mr. Andrew
Mackinlay, Andrew
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
McCrea, Dr. William
McDonnell, Dr. Alasdair
McGrady, Mr. Eddie
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Sanders, Mr. Adrian
Scott, Mr. Lee
Shapps, Grant
Shepherd, Mr. Richard
Short, rh Clare
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Mr. Ian
Taylor, Matthew
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Turner, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wiltshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Young, rh Sir George

Tellers for the Ayes:
Mr. Stephen Crabb and Bill Wiggin

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Ilsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Kemp, Mr. Fraser
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
MacShane, rh Mr. Denis
Malik, Mr. Shahid
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Miller, Andrew
Moffat, Anne
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot

Mudie, Mr. George
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Peskett, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Rammell, Bill
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Ms Dawn Butler and Ian Lucas

Question accordingly negatived.

Main Question put and agreed to.

Ordered,

That the following provisions shall apply to the proceedings on the Northern Ireland Bill—

Timetable

1.—(1) Proceedings on Second Reading, in Committee, on consideration and on Third Reading shall be completed at today's sitting in accordance with the following provisions of this paragraph.

(2) Proceedings on Second Reading shall (so far as not previously concluded) be brought to a conclusion four hours after the commencement of proceedings on the Motion for this Order.

(3) Proceedings in Committee, on consideration and on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption or six hours after the commencement of proceedings on the Motion for this Order, whichever is the later.

Timing of proceedings and Questions to be put

2. When the Bill has been read a second time—

(a) it shall (notwithstanding Standing Order No. 63 (Committal of bills not subject to a programme order)) stand committed to a Committee of the whole House without any Question being put; and

(b) the Speaker shall leave the Chair whether or not notice of an Instruction has been given.

3.—(1) On the conclusion of proceedings in Committee, the Chairman shall report the Bill to the House without putting any Question.

(2) If the Bill is reported with amendments, the House shall proceed to consider the Bill as amended without any Question being put.

4. For the purpose of bringing any proceedings to a conclusion in accordance with paragraph 1, the Chairman or Speaker shall forthwith put the following Questions (but no others)—

(a) any Question already proposed from the Chair;

(b) any Question necessary to bring to a decision a Question so proposed;

(c) the Question on any amendment moved or Motion made by a Minister of the Crown;

(d) any other Question necessary for the disposal of the business to be concluded.

5. On a Motion so made for a new Clause or a new Schedule, the Chairman or Speaker shall put only the Question that the Clause or Schedule be added to the Bill.

Consideration of Lords Amendments

6.—(1) Any Lords Amendments to the Bill shall be considered forthwith without any Question being put.

(2) Proceedings on consideration of Lords Amendments shall (so far as not 40 previously concluded) be brought to a conclusion one hour after their commencement.

7.—(1) This paragraph applies for the purpose of bringing any proceedings to a conclusion in accordance with paragraph 6.

(2) The Speaker shall first put forthwith any Question already proposed from the Chair.

(3) If that Question is for the amendment of a Lords Amendment the Speaker shall then put forthwith—

(a) a single Question on any further Amendments to the Lords Amendment moved by a Minister of the Crown, and

(b) the Question on any Motion made by a Minister of the Crown that this House agrees or disagrees to the Lords Amendment or (as the case may be) to the Lords Amendment as amended.

(4) The Speaker shall then put forthwith—

(a) a single Question on any Amendments moved by a Minister of the Crown to a Lords Amendment, and

(b) the Question on any Motion made by a Minister of the Crown that this House agrees or disagrees to the Lords Amendment or (as the case may be) to the Lords Amendment as amended.

(5) The Speaker shall then put forthwith the Question on any Motion made by a Minister of the Crown that this House disagrees to a Lords Amendment.

(6) The Speaker shall then put forthwith the Question that this House agrees to all the remaining Lords Amendments.

(7) As soon as the House has—

(a) agreed or disagreed to a Lords Amendment, or

(b) disposed of an Amendment relevant to a Lords Amendment which has been disagreed to,

the Speaker shall put forthwith a single Question on any Amendments moved by a Minister of the Crown and relevant to the Lords Amendment.

Subsequent stages

8.—(1) Any further Message from the Lords on the Bill shall be considered forthwith without any Question being put.

(2) Proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.

9.—(1) This paragraph applies for the purpose of bringing any proceedings to a conclusion in accordance with paragraph 8.

(2) The Speaker shall first put forthwith any Question which has been proposed from the Chair.

(3) The Speaker shall then put forthwith the Question on any Motion made by a Minister of the Crown which is related to the Question already proposed from the Chair.

(4) The Speaker shall then put forthwith the Question on any Motion made by a Minister of the Crown on or relevant to any of the remaining items in the Lords Message.

(5) The Speaker shall then put forthwith the Question that this House agrees with the Lords in all the remaining Lords Proposals.

Reasons Committee

10.—(1) The Speaker shall put forthwith the Question on any Motion made by a Minister of the Crown for the appointment, nomination and quorum of a Committee to draw up Reasons and the appointment of its Chairman.

(2) A Committee appointed to draw up Reasons shall report before the conclusion of the sitting at which it is appointed.

(3) Proceedings in the Committee shall (so far as not previously concluded) be brought to a conclusion 30 minutes after their commencement.

(4) For the purpose of bringing any proceedings to a conclusion in accordance with sub-paragraph (3), the Chairman shall—

(a) first put forthwith any Question which has been proposed from the Chair, and

(b) then put forthwith successively Questions on motions which may be made by a Minister of the Crown for assigning a Reason for disagreeing with the Lords in any of their Amendments.

(5) The proceedings of the Committee shall be reported without any further Question being put.

Miscellaneous

11.—(1) Paragraph (1) of Standing Order No. 15 (Exempted business) shall apply so far as necessary for the purposes of this Order.

(2) Proceedings to which this Order applies shall not be interrupted under any Standing Order relating to the sittings of the House.

12.—(1) The proceedings on any Motion made by a Minister of the Crown for varying or supplementing the provisions of this Order shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.

(2) Paragraph (1) of Standing Order No. 15 (Exempted business) shall apply to those proceedings.

13. Standing Order No. 82 (Business Committee) shall not apply in relation to any proceedings to which this Order applies.

14.—(1) No Motion shall be made, except by a Minister of the Crown, to alter the Order in which any proceedings on the Bill are taken or to recommit the Bill.

(2) The Question on any such Motion shall be put forthwith.

15.—(1) No dilatory Motion shall be made in relation to proceedings to which this Order applies except by a Minister of the Crown.

(2) The Question on any such Motion shall be put forthwith.

16. The Speaker may not arrange for a debate to be held in accordance with Standing Order No. 24 (Emergency debates)—

(a) at today's sitting, or

(b) at any sitting at which Lords Amendments to the Bill are, or any further Message from the Lords is, to be considered, before the conclusion of any proceedings to which this Order applies.

17.—(1) Sub-paragraph (2) applies if the House is adjourned, or the sitting is suspended, before the conclusion of any proceedings to which this Order applies.

(2) No notice shall be required of a Motion made at the next sitting by a Minister of the Crown for varying or supplementing the provisions of this Order.

Northern Ireland Bill

Second Reading

2.40 pm

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): I beg to move, That the Bill be now read a Second time.

The Bill will provide an essential stepping stone to the completion of devolution, and it is a tribute to those in Northern Ireland whose political leadership and commitment has turned the peace process into an enduring political process. That political progress has been and continues to be significant, and it is essential that the momentum is maintained. The Bill will ensure that the necessary framework is in place to enable progress towards the transfer of policing and justice powers when that is requested by the Northern Ireland Assembly and Parliament approves the transfer.

When devolution is complete, we will have arrived at a significant new chapter in our history, with politicians elected in Northern Ireland being fully accountable to the people of Northern Ireland on law and order, and power truly shared. The Bill will play an important part in enabling elected politicians in Northern Ireland to assume their political destiny.

I recognise that for some the pace of change remains daunting, and of course there is still confidence to be built. However, I believe that we are unanimous in recognising that the peace and prosperity that Northern Ireland enjoys today is a fundamental consequence of the political process. When the St. Andrews agreement was concluded in October 2006, and when the devolved institutions became operational in 2007, it was hoped that there would be sufficient community confidence to allow for the transfer of policing and justice powers by May 2008. The Government committed to do all that we could to ensure that when the Assembly was ready to ask for the transfer of powers, the necessary enabling legislation would be in place.

The Government had hoped to see stage 2 of devolution completed last May, but community confidence was not ready. On 18 November 2008, significant confidence having been built by their shared leadership, the First Minister and Deputy First Minister wrote to the Assembly and Executive Review Committee to say that agreement had been reached on a way forward to enable devolution to be completed. In January 2009, the Committee reported on its deliberations on the devolution of policing and justice powers, and its report was agreed by the Assembly in a cross-community vote. I want to take this opportunity to pay tribute to the First Minister, the right hon. Member for Belfast, East (Mr. Robinson), and the Deputy First Minister, for their outstanding leadership and their determination to work through the problems that stood in the way of further progress towards the peaceful end that everybody seeks.

The elected representatives of the people of Northern Ireland have asked us for legislation on a critical set of issues, which they set out last November. That request was made also in the AERC report this January. It is for the people of Northern Ireland, through their Assembly, to decide when to ask for the transfer of powers, and in turn that request is for this House to decide. That is why it is necessary to have the Bill in place now and to expedite its path without undue delay. That pace is not

for the convenience of the Government but to ensure that the Assembly has the tools that it needs to take the process that it has created to the next stage. There will be those who say, "But the Assembly is not going to ask for the powers just yet". That may indeed be the case, and it has much work still to do before it can do so, including creating a justice Department and deciding which of the several available models to adopt for the choice and appointment of a Justice Minister.

Political agreement has often eluded us in Northern Ireland, and its failure has had tragic consequences. However, we have now taken that agreement to a new level of confidence, and we should have the courage to be bold and go forward. Frequently in politics, it is not possible to give everyone everything that they want, when they want it. Such moments demand political courage, and the inspiration of the story of Northern Ireland is that political courage is a quality that has reaped enormous dividends. There was a time, not long ago, when few would have believed that we could have had stage 1 devolution, with a power-sharing Administration in place. There was a time, not so long ago, when few would have believed that we could even entertain the thought of stage 2 devolution of policing and justice. The Bill marks one more step in the transformation of Northern Ireland, and I ask again for the House's co-operation and support in expediting it.

I turn to the details of the Bill. Clause 1 and schedule 1 provide for the new departmental model proposed by the First Minister and Deputy First Minister last November, and set out how that model would operate in the period up to 1 May 2012 if it were the one that the Assembly chose. The new model would consist of a single Minister, nominated by any member of the Assembly, elected by cross-community vote in the Assembly and removed in the same way. As such, the Minister would not count towards the parties' allocation of seats on the Executive using the d'Hondt formula.

That new model is added to the menu of options already provided for in the Northern Ireland Act 1998. If the Bill is enacted, the Assembly will be able to choose from any one of eight models in setting up a justice Department. Under the terms of the agreement announced by the First Minister and Deputy First Minister, the Assembly will need to reach agreement on the future arrangements for ministerial oversight of the justice Department before 1 May 2012; otherwise, the Department will automatically be dissolved on that date.

Clause 2 and schedules 2 to 6 deal with the arrangements for judicial appointments and removals. Broadly speaking, they transfer the post-devolution role that had been envisaged for the First Minister and Deputy First Minister to the Northern Ireland Judicial Appointments Commission and, in particular cases, to the Lord Chief Justice and the Northern Ireland Judicial Appointments Ombudsman. The roles already set out in legislation for Her Majesty, for the Prime Minister and the Lord Chancellor as her principal Ministers and for Parliament will remain largely unchanged.

Reflecting the policy that the Assembly should agree on long-term arrangements for judicial appointments by 1 May 2012, schedule 6 will place on the Assembly a requirement to task one of its Committees with reviewing the arrangements put in place by the Bill and with making recommendations before that date. It will also put in place a freeze on new appointments to the Judicial Appointments Commission from 1 May 2012, unless and until the Assembly has reached agreement on the future arrangements for judicial appointments and removals. That freeze will not prevent judicial appointments from being made, but it will create a practical incentive to those involved to reach agreement on the way forward.

Clauses 3 and 4 will make technical amendments to the statute book to prepare the way for the future transfer of policing and justice responsibilities. Clause 3(1) provides that, post-devolution, the function of the Attorney-General for Northern Ireland in relation to providing guidance on the disclosure of juror information will be split between the Advocate-General for Northern Ireland, for national security and terrorism cases, and the devolved Attorney-General for Northern Ireland for all other cases. That reflects the split of functions previously provided for by Parliament in the Justice (Northern Ireland) Act 2002 in respect of many of the Attorney-General's other functions.

Clause 3(2) provides that the office of the Director of Public Prosecutions for Northern Ireland will be a corporation sole, a legal status meaning that the Public Prosecution Service can hold property in its own right. That will not alter the relationship between the Director of Public Prosecutions or the Public Prosecution Service and the Assembly, as provided for in the 2002 Act.

The House will have the opportunity later to debate the relationship between the DPP and the Attorney-General for Northern Ireland, which was debated and agreed on during the passage of the 2002 Act. That Act gave effect to the criminal justice review, which stated, at paragraph 4.162, that

"in the particular circumstances of Northern Ireland, we believe that this independence should be further strengthened, by ensuring that the relationship between the Attorney General and the head of the prosecution service, while containing elements of oversight, is consultative and not supervisory. In other words, there should be no power for the Attorney General to direct the prosecutor, whether in individual cases or on policy matters."

Critically, the review of the criminal justice system in Northern Ireland went on:

"Our impression is that in some other common law jurisdictions the relationship between Attorney and prosecutor works well in practice and that the independence of the prosecutor in decision making is respected; but ultimately, if there were disagreement between the Attorney and the prosecutor on an individual case, then in law the Attorney's will would probably prevail."

Crucially, the review said:

"We do not believe that such an arrangement would be suitable in the Northern Ireland context."

It might help the Opposition spokesman, the hon. Member for North Shropshire (Mr. Paterson), if I remind him what was said by his noble and learned Friend Lord Mayhew, one of my predecessors as Secretary of State for Northern Ireland and a former Attorney-General. During the passage of the 2002 Act, he said:

"Given the highly charged atmosphere of Northern Ireland—to use a well-chosen word that appears in the review—it is important that this enormously invasive prosecution arm of the state should be exercised in Northern Ireland by an official who is entirely independent. That is a departure from the current system in England and Wales and in Northern Ireland."—[*Official Report, House of Lords*, 13 June 2002; Vol. 636, c.CWH93.]

I can only hope that the hon. Gentleman will find his noble Friend's words persuasive when he considers his—very well-intentioned, I am sure—amendment. Equally, in

[Mr. Shaun Woodward]

the light of the information that we are beginning to discuss together, I hope that he will perhaps see why, on balance, the criminal justice review reached its decision after careful consideration and why his hon. Friend said what he said.

Clause 4 extends the scope of the order-making power in section 86 of the Northern Ireland Act 1998 to provide for the possibility that Executive functions may be devolved even where the legislative competence is to remain reserved. That would provide Parliament, in due course, with greater flexibility to ensure that practical responsibility for functions sits at the most appropriate level, while still keeping legislative competence for that matter reserved to Westminster.

Let us be clear about what the Bill is not. It is not a Bill that will devolve policing and justice. Parliament has already set out the arrangements for that, in section 4 of the 1998 Act, which depends on the triple lock, whereby a motion requesting devolution needs to be tabled in the Assembly by the First and Deputy First Ministers acting jointly. After that, the motion would need to be approved on a cross-community vote in the Assembly, and then the Secretary of State would bring forward transfer orders to Parliament in Westminster for approval and debate. The Bill will not impose devolution on a majority if they later choose not to exercise that power.

Christopher Fraser (South-West Norfolk) (Con): Does the Secretary of State accept that the costs of setting up a new system run into hundreds of millions of pounds and that there is a further £70 million funding shortfall across the agencies involved in the process? Does he accept those figures, and what implications does he think they will have for the Assembly, which will inevitably be required to plug the gap?

Mr. Woodward: The hon. Gentleman may not be surprised to hear that I do not accept those figures. Northern Ireland had—[HON. MEMBERS: "Higher!"] It is always pleasing to take part in the Dutch auction of Opposition Members. I do not accept those figures. I begin with the premise that in the comprehensive spending review, policing and justice in Northern Ireland had a very good settlement. There are considerable historic reasons why Northern Ireland demands such a settlement. This is in no way to question the work of the Police Service of Northern Ireland or any of the other agencies there, but many chief constables look at the settlement achieved by the Chief Constable in Northern Ireland with a great deal of jealousy. I say that with huge respect for the work that is done, but the fact is that there is one police officer in Northern Ireland for every 215 to 220 people, whereas in my constituency in Merseyside, the numbers are dramatically different and, I regret to say, we have extremely high crime rates.

Dr. William McCrea (South Antrim) (DUP) *rose—*

Mr. Woodward: I will give way in a moment.

Despite the considerable work that is done, the fact of the matter is that the settlement in Northern Ireland was a good settlement.

The hon. Member for South-West Norfolk (Christopher Fraser) asked about additional requests that have been made for money. As a matter of course, new pressures might arise following the making of the CSR. We are asking other police forces across the United Kingdom to deal with new demands by reordering their priorities, not giving them more money. Part of what Northern Ireland must do, in being normal, is to do the same as any other police force in any other part of the United Kingdom. There may be issues—I say "may", because it is not a matter of fact or record that they can at this stage be described as justifiable pressures for new money—that need to be resolved. That is why the Prime Minister has asked Jeremy Heywood to chair a committee that will involve officials from Northern Ireland, my office and the offices of the First and Deputy First Ministers, as well as civil servants from Departments here, coming together to look at the so-called needs for extra money.

In this economic climate, people need to be sensible and realistic. I understand why people will make demands. However, at the same time, they need to recognise that those issues may not be unique to Northern Ireland, that some of the pressures being felt there now are being felt by other police forces around the country and that Northern Ireland, whether it is under the Secretary of State or its own Minister for Justice in a devolved Department, will be expected to adhere to the same responsibilities as anybody else would. I expect people to make the case, but it does not follow that because people make a case, that case will automatically be met. There is some hard work to be done. I am grateful to the First and Deputy First Ministers and to others who are taking part in the important process that is now under way and which has its first meeting later today.

Mr. Jeffrey M. Donaldson (Lagan Valley) (DUP): Some issues remain to be resolved before devolution can take place, one of which is the need to recognise the valiant contribution of the part-time Royal Ulster Constabulary reserve in Northern Ireland over the period of the troubles. I know that the Minister of State is currently reviewing that, but will the Secretary of State give a commitment that before devolution takes place his Department will properly recognise the contribution that those men and women made to safeguarding the entire community in Northern Ireland? Many of them paid with their lives and many still carry the injuries that they suffered during that campaign.

Mr. Woodward: I will of course use this opportunity to endorse what the right hon. Gentleman says about the work and the extraordinary bravery of those people. However, as he also rightly said, my hon. Friend the Minister of State is looking at those matters. Tempted though I might be to answer the right hon. Gentleman's question directly, it is precisely right that my hon. Friend does the work with his review. Just as the right hon. Gentleman and the First Minister have pressed their case previously, I am sure that they will continue to press it. Indeed, it concerns one of a number of issues that I am sure we will need to work through together in the coming months.

I said that it was important to be clear about what the Bill is not. Crucially, it will not decide the model for the new Department of Justice; rather, it adds one more model to the menu. It remains for the Assembly to

choose which model it wants to pursue. What the Bill does is give legal expression to the work of elected politicians in Northern Ireland. In considering the Bill, we should have due regard to the work and wishes of the majority in Northern Ireland and those who produced the Assembly and Executive Review Committee report.

In addition to enabling the wishes of the people of Northern Ireland to be realised, we should also send a clear political message today to the small numbers of criminals in Northern Ireland who do not want to see peace and stability on the streets. There are criminal groups styling themselves as republicans for whom the idea of political progress, shared power and fully devolved institutions is abhorrent; they do not want to see that. Regrettably, we always feared that this would be the case. We also feared that, at the moment at which great political progress was being made in Northern Ireland, they would try to seize such an opportunity.

Regrettably, we have seen increased activity by this very small number of dissidents in the past few months, and it has been targeted particularly, but not only, at police officers. The PSNI will need to work incredibly closely with the community to ensure that the response to this activity, while increased, is also proportionate. This is not like the old days. This involves a group of people who have absolutely no support and who are condemned by everyone across the board. They thrive in an atmosphere of fear and in the vacuum that they hope to create if the political process can be stalled. Today in this House, the Bill provides an opportunity yet again to send a clear message to those who do not want political progress, who wish to stall the work of the people and the political parties of Northern Ireland, and who wish to frustrate and challenge the courage of those who are leading their political parties and Northern Ireland to a different place.

The message that this House sends, in supporting the Bill, is that the political process is winning, that it has transformed Northern Ireland, and that if we allow this transformation to continue to its logical conclusion, so that those elected in Northern Ireland become responsible for policing and justice in the months ahead, there will be no clearer signal to these people that, while they might try hard and while they might pose a threat to some, we hope that they will never have the chance to succeed, and we will never let them succeed. They are criminals, and criminal threats will never be allowed to halt legitimate processes. This House, in supporting the Bill, will send an unequivocal message that politics in Northern Ireland is winning.

3.2 pm

Mr. Owen Paterson (North Shropshire) (Con): I am grateful to the Secretary of State for outlining the main provisions in the Bill and the Government's rationale for bringing it before the House today. I also thank him for giving the Opposition early sight of the legislation, and for the helpful manner in which his officials have answered our questions.

The last Conservative Government began the peace process, and their work was built on by the current Labour Government. As I said in the debate on the programme motion, it has always been our policy in opposition to set party politics aside on issues concerning Northern Ireland, and broadly to support the Government in their approach to the peace process and devolution. In doing so, we have not given the Government a blank cheque, however. While trying to be as supportive as possible, we have made constructive and detailed criticisms.

At the outset, I reconfirm that we emphatically support the Belfast agreement and the current devolved institutions that followed on from it. We would like to see the institutions that were established by ensuing agreements working effectively for the good of all the people of Northern Ireland. We have therefore always supported the eventual devolution of criminal justice and policing, when the conditions were right and once the proposed model for devolution had the support of all communities. Devolution of criminal justice and policing was, after all, envisaged in the Belfast agreement and re-affirmed in the joint declaration of 2003, and subsequently at St. Andrews in 2006.

Thanks to the efforts of the last two Governments, Northern Ireland has been transformed. However, when considering the Bill today, we should remember that the current circumstances are not normal. Although the horrific levels of violence experienced during the troubles are now largely behind us, there is still a real threat of brutality from dissident republican groups and so-called loyalist paramilitaries, as the Secretary of State has just mentioned. The dissidents have openly stated that they intend to kill a police officer.

Mr. Denis Murphy (Wansbeck) (Lab): Does the hon. Gentleman agree that, in the main, the fact that the dissident republicans have not been able to kill a policeman is down to excellent police work, and that it is thanks to Sir Hugh Orde and his team that those people have been contained so effectively? Does he also agree that the co-operation between the PSNI and the Garda Siochana is now helping to contain the dissident republicans?

Mr. Paterson: I entirely endorse the hon. Gentleman's comments; I am about to make similar comments myself. I particularly agree with him about the collaboration with the Garda, which I have noticed in the border areas.

The year before last, two officers had lucky escapes in Londonderry and Dungannon. In more recent months, the attacks in Craigavon, the rocket attack in Lisnaskea and the bomb in Rosslea thankfully did not succeed. As recently as February, a 300 lb bomb was found in Castlewellan. So-called loyalist groups also pose a real danger to police officers. It is disgraceful that they have not decommissioned weapons as we approach the 11th anniversary of the Belfast agreement. A police officer was shot in the back in Carrickfergus, and of the 20 officers forced from their homes in the past 12 months, five were driven out by loyalists. The above list is far from comprehensive, and I pay tribute to the bravery of all those involved at every level of the police and security services for minimising the damage that these violent criminals wish to inflict on the law-abiding majority. As we debate the Bill, we should all remember the dedication of these public servants.

Some dissident groups have moved into drug crime, and this continues the violence. Masked men who shot a man dead in Londonderry in February were thought to be dissident republicans involved in drugs. Fuel smuggling is estimated to cost the Exchequer £100 million a year. In some areas, both dissidents and republicans are, amazingly, working together to smuggle fuel.

[Mr. Paterson]

The Assembly should remember, when deciding whether to use the option provided by the Bill, that normal policing is extremely difficult in these circumstances and that—despite Patten recommendation 55, which states that police cars should be substituted in place of armoured Land Rovers—more and more patrols are forced to travel in armoured vehicles due to the rise in dissident violence. The dissident threat has also led to a huge increase in police overtime, with the result that £24.5million has had to be taken from this year's budget to pay for last year. There are suggestions that the Policing Board is starting the new financial year £50 million in the red. The PSNI needs to save £263 million by 2011. Proposed police station closures are unpopular, the information technology budget has had to be reduced, and police overtime will be cut by 51 per cent. over three years.

We are therefore discussing the Bill in the context of further looming pressures on the budget. There are more than 2,000 claimants for hearing loss, which could cost a further £100 million. I have even heard reports that that could rise to £400 million. The historical enquiries team has had to cut staff. The current established figure of 7,500 full-time officers has not been achieved, and plans for police community support officers have been put on hold for three years. On the positive side, great progress has been made in increasing Catholic recruitment, which is up to 25 per cent., and on target for 30 per cent. by March 2011.

In his winding-up speech, will the Minister please confirm that police pay, pensions and conditions will continue to be set nationally after devolution? Will he confirm how inquiries into the past will be paid for in future? Who will pay for any litigation that flows from those inquiries? Could he give us an overall appraisal of the current and future financial position of the PSNI?

When the Assembly comes to debate the timing of devolution, it should be aware of the extremely difficult conditions in which the police continue to operate, and the serious financial consequences of that. I am also conscious that a number of politicians in Northern Ireland take the view that Stormont should be allowed to settle down and resolve issues such as education before taking on the additional burden of policing and criminal justice. In my opinion, however, that is strictly a matter for the Assembly.

The background to the Bill is that the PSNI is already the most accountable police force in the world. The Chief Constable is widely respected across all parts of the community and is self-evidently non-political. He reports to a Policing Board that has representatives from all political parties, and there is further scrutiny by the police ombudsman, the district policing partnerships and the Northern Ireland Human Rights Commission. Despite the ultimate responsibility resting with the Secretary of State, there is already significant involvement by representatives across all the community in Northern Ireland.

It is important to stress—as the Secretary of State did—that the Bill does not deliver the devolution of criminal justice and policing. That could have been triggered at any time since the Northern Ireland Act 1998, which gave effect to the Good Friday agreement, had there been cross-community support for it. Since then, a number of models for the devolution of criminal justice and policing have been proposed. There are currently seven such models. This Bill creates an eighth model, following exhaustive negotiations in the Northern Ireland Assembly, primarily between the Democratic Unionist party and Sinn Fein. That resulted in a report to the Assembly, which was published in January. We believe that locally elected politicians should ultimately be responsible for such matters, but which model is chosen should be a matter for the parties in the Assembly to agree.

At the same time, we have always insisted that powers should be transferred from this Parliament only when three criteria have been satisfied: first, that all parties represented in the Executive are committed to pursuing their objectives by exclusively peaceful and democratic means; secondly, that all parties fully support, in word and deed, the criminal justice system, including the police and the courts; and, thirdly, that such a transfer of powers commands support across the community, as expressed through Northern Ireland's political representatives. In our view, that is not something that should be imposed according to an arbitrary deadline or timetable, so I welcome the fact that nothing in the Bill alters the existing triple lock on the transfer of powers.

The mechanism for transferring policing and justice in the 1998 Act remains unchanged. Before devolution takes place, it must have the consent of the First Minister, a majority of designated Unionists and nationalists in the Assembly and of both Houses of Parliament. I give a guarantee that any future Conservative Government will fully uphold that triple lock while respecting the decision of the Assembly.

In addition, we have always made it clear that any devolution of policing and justice powers must preserve the operational independence of the Chief Constable and his officers; the independence of the judiciary must also be guaranteed. Those are cardinal principles that cannot be compromised. There must be no question of allowing political interference in such matters in Northern Ireland or in any other part of the United Kingdom.

We support many features of the Bill, particularly the changes to the Justice (Northern Ireland) Act 2002 in respect of appointments to judicial offices. In our view, it is right and sensible to give to the Lord Chief Justice the powers originally envisaged as being exercised by the First and Deputy First Ministers. One of our concerns when the 2002 Act was passing through Parliament was about the potential for politicisation of certain judicial appointments, but these changes go some way to allaying our fears.

We are not happy, however, that the Director of Public Prosecutions for Northern Ireland is, in the words of the explanatory note,

"independent of a 'parent' department within the Northern Ireland departmental system".

I listened carefully to the Secretary of State's comments, and we will study the text that he referred to in detail, but we believe that devolution of criminal justice and policing would actually be strengthened if the DPP were superintended by the Attorney-General, who, according to the 2002 Act, may participate in the proceedings of the Assembly. We believe that the Attorney-General should be appointed by the Lord Chief Justice on the recommendation of the Northern Ireland Judicial Appointments Commission.

I am confident that our amendments, if approved, would strengthen the devolution of justice, making the DPP answerable to a key figure who is accountable in turn to the Assembly. It would also give the DPP a shield to protect him on occasions when he has to deal with very contentious prosecutions. We have tabled a number of other amendments, including one that would set a time limit of six months on appointing a Justice Minister. That is in no way intended to undermine devolution, but we think that, given the security situation in Northern Ireland, it is not acceptable for criminal justice and policing to continue for an indefinite period without a Minister responsible to a democratic body.

Andrew Mackinlay (Thurrock) (Lab): I do not know whether the hon. Gentleman noticed, but in the Secretary of State's speech, he relied on—without naming them—other common law jurisdictions, which I recall him saying would not be a good formula for Northern Ireland. He did not elaborate. As an aside, I think that that shows that if we had a proper Committee stage, we could probe much further. Perhaps the hon. Gentleman will join me in asking the Secretary of State to tell us when he concludes the debate what jurisdictions the Government consulted and what those jurisdictions were asked. It would be interesting to know. I follow much of what the hon. Gentleman says; he is making a powerful point.

Mr. Paterson: I am sure that the Secretary of State will have noted those comments and will reply later. We think that there should be a limit to the process, so that we have a final full-stop. It would not be sensible to have a Department without a Minister for an indefinite period.

I am aware that time is short and many other Members wish to speak, so let me summarise our position. We support the devolution of criminal justice and policing, but it is for the Assembly to decide when all parts of the community consider the time to be right. Given the dangerous security situation that is also exacerbating the financial pressures of devolving criminal justice and policing, the Assembly should think long and hard before taking this step. We believe that, should it decide to do so, this model has many merits. It would, however, be much improved if our amendment on the accountability of the DPP were agreed. On that basis, we will support Second Reading this evening.

3.15 pm

Mark Durkan (Foyle) (SDLP): Yet again, we have a Second Reading debate on a Bill that addresses the devolution of justice and policing in Northern Ireland. It comes, as my hon. Friend the Member for South Down (Mr. McGrady) noted earlier, on top of a torrent of legislation on the same subject—seven previous Acts have touched to some degree on this issue. The reason for having so much legislation is that there has been so much misrepresentation about what the devolution of justice actually means. We have also had a lot of pretence about its imminence in the past, and perhaps there will be more pretence about it now.

Let us reflect on how this issue has developed over recent years. Sinn Fein used it as an excuse to put off the evil day, as they saw it, when it would have to sign up to policing. It said that it had to have devolution of justice and policing first, so the terms, principles and constructs of the devolution of justice and policing became the be-all and end-all before Sinn Fein could move forward on policing. It was essential to Sinn Fein, because it could say that when it went on the Policing Board, it would have control over the police. The Government—indeed the two Governments—started playing that line and brought us through a chicane of different legislative models and pieces of legislation in order to create landmarks, which were optical illusions to show that significant progress was being made on the road to the devolution of justice and policing. Those optics could then be served up to supporters and the broader public.

All that created fear and unease within the Unionist community, so parties such as the Democratic Unionist party worked to hold up the devolution of justice and policing with dire warnings about paramilitary control or people with paramilitary records gaining control of the police and the prosecution service, thus creating a lot of unnecessary and undue fears about what the devolution of justice and policing would entail.

What we need to remember about all this—in fairness, the Secretary of State has made this point in the past, as did his predecessor—is that a significant number of the powers previously exercised by Secretaries of State and the Northern Ireland Office had already been devolved both to the Policing Board and the Chief Constable, and rightly so. Broadly, that worked well and confounded the low expectations of many people.

We also need to remember that when the devolution of policing and justice comes, whoever or whatever the relevant Minister may be, they will not be in a position to lift the phone and tell the Chief Constable, "Set my people free; go after those people." Ministers will not be able to interfere in prosecutions, judicial considerations or anything else of that nature. Many of the fears have thus been hyped up—apprehensions on the one hand and perhaps false aspirations and ambitions on the other. Any such falsehoods needed to be laid to rest.

With the devolution of justice and policing, there will be no going back to the political control of the old Ministry of Home Affairs in Northern Ireland, and there will be no going forward to paramilitary control. Why? Because the protections in the Patten report and the criminal justice review—two reviews set up under the Good Friday agreement—are there to stop it. Sinn Fein knows that, which is why it ended up having to sign up to policing, despite the fact that it had neither the devolution of justice and policing nor even a date for it to happen. At the time, it did not even have the agreement that it now says that it has with the DUP. Its position was indulged for far too long, with all the phoney legislation and other moves of Governments emerging from it. That is why we are back here dealing with the issue yet again today.

The DUP, of course, knows all about this, too. That is why the current DUP leader, the right hon. Member for Belfast, East (Mr. Robinson) told *The Irish Times* four and a half years ago that the devolution of justice was "no big move" for Unionists, yet we get it played again and again as though it were the biggest possible move for Unionists. Again, bad management of the process by the Government has allowed the Democratic Unionist party to move from one tactic to another.

[Mark Durkan]

The fact is that devolution of justice and policing will be a threat to nobody and an opportunity for everyone. It will consummate political change and policing change. It will ensure that we complete the suite of devolution in having policing and justice powers alongside all others. It will mean that MLAs will be worthy of the title Members of the Legislative Assembly, because they will be able to legislate on the criminal law alongside other matters and ensure that programmes, policies and budgets across all the services that policing has to deal with, along with other devolved services, can better mesh and engage.

Christopher Fraser: Does the hon. Gentleman accept the point on additional costs, which I made earlier to the Secretary of State, and is he as concerned as me that the burden will be put on the Assembly? As the Secretary of State has pointed out, it may have to find its own means to deal with the issue.

Mark Durkan: Yes, we have concerns about that. The Assembly, Members of the Assembly and the Executive face budgetary pressures and will want to show good due diligence for any other responsibilities that they get, so obviously we want to pay attention to the budget. We want to get devolution soon, but we also want to get it right. We want to get it right by budget, right by policing and right by the needs of the justice system. We also want to get it right—the Social Democratic and Labour party makes no apology for this—by the Good Friday agreement and the principle of democratic inclusion, which was enshrined and built into that agreement. We make no apology for trying to get it right in all those areas, but we should not turn this debate into a lobbying exercise on budgetary matters, which need to be pressed elsewhere.

Mr. Donaldson: Is the hon. Gentleman's reference to the Good Friday agreement a reference to the "ugly scaffolding" that he has talked about on previous occasions and the need to dismantle it?

Mark Durkan: I make no apologies. I used the phrase "ugly scaffolding", as the right hon. Gentleman may remember from when he and I were negotiating the Good Friday agreement. Indeed, on many of the institutional aspects of the agreement, if the truth be told, he had more of a hand in negotiating some of the detail than the former Member for Upper Bann, Lord Trimble. I proudly recall many of the conversations and exchanges that we had.

We said that we wanted to ensure that some of the provisions of the agreement would be biodegradable so that, as we created a new political environment, some of the artificial protections could be dispensed with by agreement. That is what we look forward to, but we see it happening in the context of a strong and robust Bill of Rights, which the right hon. Gentleman and his party completely oppose. If there is no strong, robust, effective and articulate Bill of Rights providing protections, obviously people will want to hang on to all sorts of protections that are built into the decision-making process.

Mr. John Gummer (Suffolk, Coastal) (Con): Will the Assembly not have to take into account the issue of cost when it considers whether it wishes to ask for these powers? Is it in fact not a matter that should be taken into account by this House now? We should be taking into account the nature of what is put before us. As one who has listened carefully to this debate and previous debates, it seems to me that what is before us is a perfectly reasonable answer to the problem.

Mark Durkan: First, I take the right hon. Gentleman's point. This is not in itself a budgetary debate, and it is important not to turn the debate on the Bill into a budgetary debate. Secondly, what is before us does not provide an answer to the vexed question of how to provide for the devolution of justice and policing now and how to ensure that we have an enduring political arrangement.

In opening the debate, the Secretary of State talked about there being an enduring political settlement, but the Bill provides for a justice Department that will not be enduring. It provides for a transitional Department that will exist until 1 May 2012 and which will then dissolve automatically unless the Assembly has agreed before that to make some other arrangement. Hon. Members should consider our experience over the past number of years and the fact that the House—despite all the promises and pretensions of various Secretaries of State as they have introduced and bum-rushed different legislation through this place, saying, "It is absolutely needed and this is the impetus we need to take us over the hill, round the corner and into nirvana,"—has constantly come back to yet more Bills.

When we were considering one of the previous bits of legislation, I remember telling the right hon. Member for Neath (Mr. Hain) that he had presented more vacuous models than Hugh Hefner. We still have no end to the models that will have to be presented here.

Madam Deputy Speaker (Sylvia Heal): Order. Perhaps I might encourage all Members to come back to debating the Bill under discussion.

Mark Durkan: I am very much on the subject of the debate, Madam Deputy Speaker, because the Bill provides for a ninth model. Indeed, the Secretary of State told us that the Bill with neither impose devolution—nor can it, because the triple lock is still there—nor make this the only model. He said that it adds only one more model to the menu. Of course, people are free to come up with other models if they want to. That is the compelling urgency that we have for this legislation and that is what the right hon. Member for Suffolk, Coastal (Mr. Gummer) says convinces him that it is a good answer to the problem that we have. It is not.

We should consider the arrangement that the Bill provides for the appointment of a Minister. The hon. Member for Thurrock (Andrew Mackinlay) talked about the Alliance party being the elephant in the room—not in the room, hovering above the room or whatever—and it is clearly no secret that Sinn Fein and the DUP have agreed that, for the purposes of the first Minister with responsibility for justice and policing in the devolved context, the d'Hondt provisions—the provisions of inclusion in the Good Friday agreement—are to be bypassed, abandoned and subverted.

The agreement deliberately made those provisions, and when we were negotiating it was agreed—I include myself and the right hon. Member for Lagan Valley (Mr. Donaldson) here—that we should not have a situation

in which parties could vet and veto each other's ministerial appointments as that would be a recipe for instability and game playing. Yet that is exactly what has been agreed between Sinn Fein and the DUP, and it is exactly what this legislative model provides for.

I fully understand that the DUP does not want an additional nationalist Minister, which would happen if this were to be done through an additional Minister being appointed under d'Hondt. The DUP does not want a second SDLP Minister, because we might be better up to what it is at in government and elsewhere than Sinn Fein apparently is. Sinn Fein does not want a second SDLP Minister either, but what we have here is legislation that allows for gerrymandering in Northern Ireland 2009.

The old Stormont regime began in the 1920s by removing the guarantee that was laid down for proportional representation in local government. Then it moved on to remove the guarantee for proportional representation laid down for the Stormont Parliament. This Stormont regime is beginning, with the connivance of the Government, by removing the provisions for proportional representation that the Good Friday agreement and the Northern Ireland Act 1998 laid down for the Executive in Northern Ireland and for ministerial appointments. That is why this is a serious matter. It cannot be a matter of indifference to us, and not just because the SDLP would directly lose out. We would defend this principle if it affected any other party as well, and our record shows that.

Indeed, I point out to Members the fact that whenever we were debating the Justice and Security (Northern Ireland) Act 2007—when the right hon. Member for Neath, as Secretary of State, produced the eighth model, which said that there could be a Minister and a Deputy Minister elected by the Assembly on a cross-community vote, but specified that those Ministers could come only from the two largest designations—we protested at that exclusion of the Alliance party. We said, "If you are going to depart from the agreement and remove the principle of inclusion, you should not introduce a form of exclusion that has clearly militated against a particular party." Our record on that is clean and it is clear. We want all parties to be treated fairly according to their democratic entitlements, but that is not what the Bill does.

I do not want to dwell on the issue of who would be the Minister and how the Minister would be appointed, because there are more serious issues in the Bill. Whoever was appointed according to the model in the Bill—and in all likelihood, given the current thinking of the DUP and Sinn Fein, it will not be an SDLP Minister—may stay in office, but can be put out of office at any time. That does not apply to the other Ministers, who can be put out of office only in accordance with provisions in the agreement and terms for exclusion. I think it quite unfair that an Alliance Minister might be put out of office just for being annoying, although some people might consider that a good enough reason. The chances are, however, that whoever is appointed will be the Minister until the next Assembly election, if devolution comes before it.

The Bill provides that, after the Assembly election scheduled for May 2011, all the other Ministers will have to be appointed by means of the d'Hondt system, and if that has not happened within seven days, there will be an election. However, the Bill also states that we do not have to appoint or elect a Minister of Justice. Our Department of Justice can continue indefinitely without a Minister. If we consider the Department of Justice to be so important and sensitive that we must get it absolutely right, can we really be saying that we want to pass legislation whereby we are prepared to leave the ministerial post vacant after an Assembly election—that the Department can continue without a Minister? And for how long are we saying that that can continue?

Mr. Laurence Robertson (Tewkesbury) (Con): The hon. Gentleman will have observed that our amendments address not only what will happen after an Assembly election, but what would happen if policing and justice were devolved later this year. We feel that in that event a Minister should be in place almost immediately, or at least as soon as possible.

Mark Durkan: I am aware of the amendments tabled by the hon. Gentleman and his colleagues, but I think that our amendments provide better ways of dealing with these issues, and that they are more consistent and compatible with the principles and provisions of the agreement and the 1998 Act.

Although I appreciate the opportunity that we were given to discuss aspects of the Bill with officials from the Northern Ireland Office, when we asked what would happen about the Justice Minister and how long the situation could continue, we were told, "Obviously there will come a point at which Westminster will have to intervene." Will it? Has Sinn Fein agreed to that? It has clearly agreed to much of the Bill's content, but has it agreed that if no Justice Minister is appointed for a significant period after the 2011 election, Westminster will have to intervene at some stage? Is this permanent devolution, or is it devolution that involves direct rule, or bits of direct rule, coming back here and there? It is unusual, and it is curious.

Why might we not have an elected Minister of Justice after the 2011 Assembly election? We might not have one because the Bill contains a sunset clause identifying 1 May 2012 as the point at which the Department of Justice will be devolved if no other provisions are made. The year will build up to that deadline and the potential stand-off between Sinn Fein and the DUP, which is what they intend. There was a stand-off between them over the devolution of justice and policing last year, with the Executive failing to meet for five months. Now the issue will be cranked up again in advance of the May 2011 election.

Each party will seek a mandate so that it can stand up to the other. Sinn Fein will want to push the line in asserting its rights in terms of the Ministry of Justice and policing, while the DUP will seek a mandate to hold the line against Sinn Fein's assertions. Immediately after the election, the negotiations will begin. We will see a stand-off that could easily be reflected in a failure to agree to the election of a Justice Minister. The game of chicken will continue. According to the Bill, in 2011 we shall have a Department without a Minister, perhaps for a significant length of time.

Dr. McCrea: Is it not also true that now is the time for the SDLP to stand up against Sinn Fein, give leadership to the people and gain their confidence?

Mark Durkan: We have always stood up against Sinn Fein. It is not us who are conniving and colloguing with Sinn Fein. It is not us who are in a snug pact with Sinn Fein, rushing all sorts of potentially controversial legislation through the Assembly under the accelerated passage procedure.

I took with a pinch of salt what I heard from some Members today about the need to ensure that legislation was always given due scrutiny, particularly when it was sensitive and controversial. I only hope that when it comes to the legislation on the devolution of justice and policing in the Assembly, it is not subject to the accelerated passage procedure as well. Sinn Fein, along with the DUP, has a fondness for using that procedure in the Assembly. Some of the rest of us try to stand up to Sinn Fein in those circumstances, but of course the DUP stands with it in those circumstances.

I have referred to the difficulties there could be in 2011, when we could have a Department without a Minister for a significant period of time. I now want to move on to 2012.

Sammy Wilson (East Antrim): Before the hon. Gentleman does so, may I ask about the picture he has painted of what he considers to be the likely stand-off over the Minister for policing and justice? Does he not accept that if that kind of atmosphere prevails in policing and justice, it is also likely to prevail in the appointment of a First and Deputy First Minister, because there is the same potential for that? Therefore, if the structure, which he endorsed, for the appointment of the First and Deputy First Minister is robust enough, why does he not consider the arrangement for the appointment of a Minister for policing and justice to be similarly robust?

Mark Durkan: Simply because experience, including of how parties have dealt with this issue, shows us that it will not be. If this is about creating certainty, stability and confidence in the devolution of justice and policing, why are we going for a model that is so injected and pre-programmed with uncertainty that we have provisions for no Minister in 2011 and for dissolution in 2012? We have been told in both this debate and the earlier one about the significance of the 18 November agreement between the First Minister and the Deputy First Minister. That letter told us there was no fall-back, and that there was a sunset clause which was agreed only until May 2012. Do we have an enduring settlement and arrangement if we have a provision that is purely transitional and leads to the potential dissolution—that is what we are legislating for—on 1 May 2012 with no fall-back? We could have the fall-down of a Department, but we have no political fall-back. Therefore, in 2011 we could have a Department with no Minister and, because the schedule does not say that when the Department dissolves the Minister ceases to hold office, in 2012 we will have a Minister but perhaps no Department. There will be a zombie Minister, nominally the Minister of justice; there will be a Minister in office, but with no office and no private office staff, or anything else. That is the nonsense that we are legislating for in this Bill. So there is not just the badness of what has been done in moving away from the agreement and inclusion, but the madness of legislating for failure in that regard.

The First Minister and Deputy First Minister letter said there was no fall-back, but there is, of course, potentially a fall-back. We are told that this legislation is to discharge and reflect faithfully the agreement between the First Minister and the Deputy First Minister and all that was carefully negotiated between Sinn Fein and the DUP, but a fall-back is provided for. Paragraph 5(2)(b) of schedule 1 provides for the Secretary of State to introduce an Order in Council that would impose our old friend model 8, which the right hon. Member for Neath legislated through this House when he was Secretary of State. That model says there will be a justice Minister and a deputy justice Minister from the two largest political parties. I would be interested to hear from the Secretary of State or the Minister, either in an intervention or in a winding-up speech, whether they intend that provision as a fall-back, and if so, have they told Sinn Fein? Have Sinn Fein and the DUP agreed that there is such a fall-back? If Sinn Fein has agreed that that is a fall-back, the agreement of 18 November is already contradicted and confounded, and if it has not agreed that, it may well be upset and annoyed that this has been smuggled past it. That is one reason why we need more time to consider these matters in this House: some of us can spot things that Sinn Fein seems unable to spot, like the meaning of the words "at all times".

Mr. Gregory Campbell (East Londonderry) (DUP): As for whether the option would be the Justice Ministry or any other option, does the hon. Gentleman accept that, in the event of negotiations and discussions running into the sand, the ultimate fall-back position would be this House anyway?

Mark Durkan: That is not what I want to achieve; I want to achieve devolution that happens once and for all and for good, particularly if we are, in the Secretary of State's words, trying to talk about enduring arrangements. That is what we want to get to. I make no secret of the fact—this is shown in my party's amendments—that what we want for a Minister of justice and policing, as with all other Ministers, is appointment by inclusion, by the d'Hondt system. If people realise just how limited the rules and powers of this Minister are going to be, they may not be as vexed. The reality is that the Minister's main job will be getting the budget rather than setting it, because that is the job of the Chief Constable and the Policing Board, and taking the lead in preparing and providing legislation as well.

The point about 2012 is that we will have this stalemate of a Department dissolved. What will happen to its functions? Will they, as the hon. Member for East Londonderry (Mr. Campbell) suggests, then come to this House? I know that some hon. Members have tabled amendments saying that in the event of no Minister being appointed in 2011 or the Department dissolving in 2012, things revert to some sort of direct rule, some sort of appointment by the Prime Minister, or they go to the Secretary of State and so on. I do not know whether that is what he is suggesting when he says that they will revert to this House. That may be his understanding, but I do not know whether it is part of an understanding that his party has shared with Sinn Fein and that the leader of his party has shared with the Deputy First Minister—perhaps that will be elaborated on later in the debate.

The potential fall-back provided for in paragraph 5(2)(b) of schedule 1 is not much of a fall-back, because it does not guarantee that a Department and a Minister will be

appointed. The fall-back brings us only to a situation in which there can be a Minister and a Deputy Minister elected by cross-community votes, and so we are back again to the need for agreement and the potential veto over who will be the Justice and Policing Minister—it is the triple lock yet again. No matter what way we look at all these things and the fall-backs, it is again a case of, "There's a hole in my bucket, dear Liza." We keep coming back to the same point—the veto that will be there. Even the fall-back of 2012 turns out to be an optical illusion too, because we are confronted with the DUP veto at all times in that situation.

That is why we need to pay attention to the various amendments that are proposed on these issues. Other issues are obviously provided for in this Bill, but on judicial appointments we regret the removal of the role in the procedure for the First Minister and the Deputy First Minister—not that they were going to have a significant say, because their only power was to be to ask, on occasion, the Judicial Appointments Commission to think again about a recommendation. That was all; they could ask it to have a second thought on a recommendation, but they were going to have no other powers of interference or influence on judicial appointments. This was provided for in the criminal justice review, and we regret anything that takes us away from that review.

Similarly, because the issue of a corporation sole for the Director of Public Prosecutions was provided for in the criminal justice review, we are a lot more relaxed about it than the Opposition Front-Bench team is, and we see merit in the arrangement. The detail would be hugely important—and we would all want to test it—but the principle would certainly not be an issue for ourselves. We have addressed some of these issues in our amendments as well. When the burden of our remarks has been on the main politics of justice and policing, and the ministry, we certainly would not wish to neglect on Second Reading important issues of principle in relation to judicial appointments, and provisions that flow from the agreement.

My party has also tabled amendments that deal with some other aspects of the Bill. Those are more by way of probing amendments where provisions are made for powers to switch from the Assembly to this Parliament or from here to authorities in Northern Ireland. We are not sure what is intended in such provisions and what they are meant to cover, so we tabled amendments so that we and other hon. Members can probe that.

3.44 pm

Mr. Alistair Carmichael (Orkney and Shetland) (LD): The hon. Member for Foyle (Mark Durkan) has just offered the House a comprehensive analysis of some of the structural absurdities—

Sir Patrick Cormack (South Staffordshire) (Con): On a point of order, Mr. Deputy Speaker. I apologise to you and to the hon. Gentleman who is speaking, but we have barely an hour remaining for Second Reading. Would you be kind enough to appeal for slightly shorter speeches than the one that has just been inflicted on us? It is very important that we hear from the First Minister, as well as from the Liberal Democrat spokesman. I might even wish to say something myself. We also need to hear the winding-up speeches.

Mr. Deputy Speaker (Sir Michael Lord): I am sure that the whole House is aware that the clock is ticking. The hon. Gentleman has made the point well enough, and I do not think that I need repeat it.

Mr. Carmichael: I shall certainly curtail my remarks substantially.

Several points arose from the speech by the hon. Member for Foyle, which was a comprehensive analysis, although I did not share all his conclusions. On several occasions I would have liked to test his analysis, but I resisted doing so because of the time constraints that have been placed on the House. That is a very good practical illustration of the absurdity of the position in which the Secretary of State's timetable motion has placed the House today. We are constrained from giving a proper consideration to this Bill on Second Reading, let alone at the later stages. We have two hours and 10 minutes for the Second Reading of a Bill that is of constitutional significance, and that is a constitutional outrage.

That said, the Liberal Democrats will support the Second Reading of the Bill. We have been supportive of the Government throughout the devolutionary process. Occasionally we have been critical friends, but I like to think that we have always been supportive and been able to reach an accommodation with the Government. I hope that by the time that we come to the end of this process, if not in this Chamber then in the other place, we will remain able to make that proud boast. However, as the Secretary of State knows, substantial issues of difference still lie between us. As things stand, it will be difficult for me to compromise on certain points that I shall mention later, on which we have tabled amendments.

We are in favour of the devolution of criminal justice. We have supported and promoted it for a long time, and we see it as the final piece in the devolutionary jigsaw. It is a major step in the normalisation process, as it is called. Several measures have already been put in place to provide greater transparency and accountability regarding operational matters, and they now need to be plugged into a democratically elected Assembly. That would be a recognition that criminal justice sits well with the other devolved Departments, including health and education. Criminal justice does not exist in a silo.

The hon. Member for South-West Norfolk (Christopher Fraser) spoke earlier about the budget. Although that is not germane to the text of the Bill, it is part of the proper context in which we should consider the devolution of criminal justice. I was surprised when I heard the Secretary of State say that chief constables on the mainland of the United Kingdom would be envious of the budget given to the Chief Constable of Northern Ireland. That would probably be the only operational aspect of policing in Northern Ireland that would be the subject of envy from other chief constables. That point again highlights the inconsistency in the Secretary of State's position. On the one hand, he tells us that we have to railroad the Bill through today because the whole process is so fragile, but on the other, he says that we have to look for cuts and savings in the front-line policing budget. We all know the context of the Patten level of policing being set at 7,500 until 2010 and thereafter of the suggested reduction to 6,000. To my mind, if devolution of criminal justice is to be successful politically, it must be given the resources operationally. If we fail to debate it in that context, we will have failed in our duty.

[Mr. Carmichael]

Our principal concern, however, relates to the provisions of schedule 1, which deal with the removal of a Minister from office. The House will be aware that the schedule proposes that a Justice Minister can be removed by a simple cross-community vote in the Assembly. The Secretary of State might argue that that is the same procedure as for the removal of any other Minister in the Assembly, but to do so ignores the political implications of that part of the Bill. We have warned the Secretary of State and Ministers not to consider policing in Northern Ireland as in any way comparable to other ministries. Policing in Northern Ireland has a particular special context and special arrangements, including those for human rights compliance and the structures for oversight and accountability that are not considered necessary in the rest of the UK.

Indeed, the subject of our debate this afternoon substantiates that point. We are offered yet another model for a ministry of justice in Northern Ireland in addition to the various others that are already on the statute book. Again, it emphasises that the justice ministry will not be just another Department and says that an issue as important as policing in Northern Ireland must have special arrangements. An entirely new Department must be created, outside the 10 Departments in the Assembly, to accommodate such weighty functions. That model says that although we have already considered how such a ministry should be structured, we have not got it right yet and that the matter is too important to be anything less than perfect. Simply to say that the Minister in charge of one of the most contentious and critical Departments can be got rid of in the same way as any other Minister ignores the special circumstances that surround the role.

Policing and justice functions are different in the Northern Irish context. They are so different that the parties in the Executive believe that they should look beyond themselves to find a person who can fulfil the role of the Justice Minister. Reference has been made to the Alliance party as the elephant in the room, but the elephant that has more determination in this debate than any other is the elephant that chooses not to come to this room. It is not the Alliance party that is pulling the strings, but Sinn Fein.

It is not the function of the Bill or the House to appoint the next Justice Minister, but we all know that it is widely said that an Alliance party nominee would be expected to take up the role, for the reasons that the hon. Member for Foyle explained. It is obvious that there is a certain logic and appropriateness in that. However, to place an Alliance Minister in a role from which they could be so easily removed is, in our view, completely unacceptable. That is our point of disruption as far as the Secretary of State and the Government are concerned. There is no equivalence between a Minister who simply has to retain the confidence of his party nominating officer and one who has to maintain the confidence of political opponents while doing the most difficult job in the Assembly.

The hon. Member for East Antrim (Sammy Wilson) has recently been the subject of some controversy as Minister of Environment, given his views on man-made climate change. I wonder, in passing, whether he would retain the confidence of political opponents in the way that is expected of the Minister for Justice. Indeed, important though climate change is, the removal of the Environment Minister, if it were to happen, would never have the political implications of the removal of the Justice Minister.

It is also worth remembering that in a cross-community vote, the vote of a Member of the Alliance party is worth less than the vote of a Member of the DUP, Sinn Fein, the SDLP or the Ulster Unionist party—or the new force, or whatever it now is. The vote of an Alliance Member does not count in the stage that requires 50 per cent. of Unionists and 50 per cent. of the nationalists to vote, as Alliance is neither Unionist nor nationalist. Is it right that a person can be removed from such a fundamental position by a mechanism that does not even treat them as equal to the other parties in the Executive? No other party would accept such an onerous duty under such disadvantageous circumstances, and we cannot expect the Alliance party to do so.

When the House moves to consideration of the Bill in Committee, we will deal with amendments that seek to correct what we regard as an unacceptable provision. If the Government do not accept our constructive amendments, I very much regret to say that, although they will have our support on Second Reading, I cannot guarantee that they will have it much beyond that.

3.55 pm

David Cairns (Inverclyde) (Lab): I rise to support the Bill. This is my first speech from the Back Benches in nearly four years, and I am very pleased that we are talking about a Bill that moves forward a process that is very close to my heart and to the hearts of all hon. Members in the House.

I am very conscious that the First Minister has not yet had the opportunity to address the House, so I shall drastically curtail my remarks to give him that opportunity. However, I am also very pleased to follow my hon. Friend the Member for Foyle (Mark Durkan). I did not think that his speech was being inflicted on the House or on me: I enjoyed it, and he raised some serious and substantive points. I hope that my hon. Friend the Minister of State will be able to address them satisfactorily, either when he sums up on Second Reading or on Report.

I also enjoyed the retelling by my hon. Friend the Member for Foyle of his line about "vacuous models". I enjoyed it the first, second and even third times that I heard him use it—

Mark Durkan: I have used it only once.

David Cairns: My hon. Friend says that he has used it only once, but today he referred to Hugh Hefner. When I heard it on another occasion, he mentioned Peter Stringfellow, which only goes to show that he has used the line more than once. However, it is a good line and merits retelling.

On a serious point, I am aware that this Bill, like many other measures introduced over the past few years, has generated unhappiness among my friends and comrades in the Social Democratic and Labour party. I sincerely hope that history will record the absolutely central role played by the SDLP in getting us to this point. When I was coming into politics, John Hume was a personal hero of mine and he inspired

much of my approach. Although the realpolitik can be brutal—the electoral reality in Northern Ireland means that the Government have to deal with Sinn Fein and the Democratic Unionist party—that does not mean that we should have less respect for what the SDLP has achieved.

Given the time, I shall restrict my comments to the issues of devolution and ministerial portfolios. As I said, this Bill is a small but very important step in the right direction. At the risk of provoking a rerun of the arguments held on the programme motion, I point out that the proposals in it are largely technical. That is not to diminish them or suggest that they are not complicated, but they are not prescriptive. The House is not setting out to tell members of the Stormont Assembly how they must proceed, but the Bill gives them another option in their general toolkit of options for facilitating what is a very important step in devolution.

For a short while, I had a role in our constitution that I think was unique. At one and the same time, I was a Minister in the Northern Ireland Office under direct rule, and also a Minister in the Scotland Office, where devolution was fully functioning. That allowed me to see both sides of the Government's work in relation to the nations and regions of the UK.

When I was a direct rule Minister in Northern Ireland, I always said that the form of government that we were able to provide there was not the second or even third best option, but that it was by a long way sub-optimal. I was looking after the Departments with responsibility for agriculture and for the environment, and I see that my esteemed successor in the latter is in his place this afternoon. I was also in charge of the Department for Regional Development, and I am very pleased that the strategic road improvement programme is opening today, after many years of the traffic jams that I inflicted on Belfast. However, the amount of time that we were able to give to such matters was, with the best will in the world, simply nowhere near as much as a local Minister can give to them. That is why I think that devolution will, in principle, result in greater confidence and better government.

That is not to say that I always agree with everything that local Ministers do. The devolved Minister with responsibility for criminal justice and policing in Scotland, Kenny MacAskill, is a man with whom I rarely agree on anything. Many of the things that he does as a Minister are wrong-headed, and many of the policies that he pursues are flat-out disastrous, but I would still rather that he was in post, having put a mandate before the people of Scotland and having been elected, albeit that he is making what I regard as mistakes, than that we did not have devolution at all. It is better that we proceed with devolution of criminal justice, albeit at a snail's pace, with all the caveats, inconsistencies and unintended—or intended—consequences that my hon. Friend the Member for Foyle outlined. That is still better than direct rule.

Obviously, because of the separate nature of its criminal justice system, Scotland has an absolutely central aspect of devolution in place. Devolution in Scotland without devolution of policing and criminal justice is unthinkable. The situation is slightly different in Wales, because there has never been a separate Welsh judiciary. Devolution in Northern Ireland will not be complete until policing and criminal justice matters have been devolved. I hope that that happens within my political lifetime.

Sir Patrick Cormack: It depends how long that is.

David Cairns—and I hope that we do not hear a repetition of the phrase that it will not happen within our political lifetime, because that would leave an important, fairly disastrous hole in the middle of the devolutionary principle. I do not regard my political lifetime as over, contrary to any obituaries that have been written. It is important that we do not regard the current situation as in any way satisfactory until we complete that journey.

I understand the political processes that have to be gone through. I very much understand the political sensitivities, having spent a brief time in Northern Ireland, thankfully long after the troubles had ended. My only experience of such matters was meeting relatives of people killed or badly injured during that time. I was immensely privileged to attend the commemoration of the anniversary of the Omagh bombing. I will take with me for the rest of my life the extraordinary dignity of the families who lost loved ones in that most awful tragedy. We must not do anything crass and insensitive to their feelings and the memories that they carry with them, but the process has to move on. No one is arguing against that, but we have to will the means as well as the end. Everyone says, "We want criminal justice to be devolved", but then for ever expresses caveats about the means, often as a way of delaying the day when criminal justice is devolved. We cannot use as a means of obfuscation the processes available in the toolkit that the Government are providing. They have to be used as a means of bringing about that devolution by the most equitable and fair means possible.

I want to speak on an issue that is slightly to one side of the thrust of today's debate, but given that the Bill amends legislation on ministerial functions in Northern Ireland Departments, I hope that it is in order to do so; it may be the only opportunity that I get to say this. Obviously, if Northern Ireland is to proceed to a greater degree of normality, and to devolution akin to that in Scotland, issues to do with the enforced nature of the coalition will have to be dealt with. I believe strongly that the way in which ministerial Departments are configured in Northern Ireland militates against good government and good decision making. I understand why they are configured in that way, and why responsibilities have been separated as they have been, but it does not lead to good government.

It makes no sense that one Department has responsibility for the Northern Ireland Planning Service, while another has responsibility for planning policy. That simply makes no sense, and it does not lead to good decision making and good government. I happened to be the Minister with responsibility for both Departments, and it was months before I realised that those things were in separate Departments. It took me a while to figure out why there were two different cast lists of officials, and why, when I said, "In the meeting the other day, we spoke about planning policy statement 12" or whatever, officials looked at me blankly and said, "Minister, we are the Planning service; we have nothing to do with planning policy." That sort of anomaly is replicated throughout government in Northern Ireland. This clearly is not the Bill nor the time to address such anomalies, but perhaps in 2012, when we are considering the new shape of the Justice Department, if a modicum of trust exists between the parties, it will be the time to do so.

[David Cairns]

It has been difficult enough in Northern Ireland to attract significant inward investment, such as John Lewis in the constituency of the right hon. Member for Lagan Valley (Mr. Donaldson), who is not in his place. It was difficult enough under direct rule—whether or not we had to deal with the same people, although in different Departments, who were able to speak to colleagues—to compete with other parts of the United Kingdom, let alone other parts of Europe, and to move quickly, as Governments must, but I fear for Northern Ireland if these anomalies are not addressed in a proper review of Government. That is a bigger issue than is before us today, but it is relevant because we are talking about ministerial portfolios.

I conclude by paying tribute to my right hon. Friend the Secretary of State. The issue of Northern Ireland has fallen out of the headlines here and that might lead some to conclude that it has been resolved, that it is all sorted and that there is no major heavy lifting to be done. But a lot of work has gone on under my right hon. Friend's watch in the last couple of years, and he has gone about it in a quiet and dignified way, seeking not to inflame the positions, but to resolve them. That is the spirit in which he has approached the legislation today. I commend him for it and I commend the legislation to the House.

4.6 pm

Mr. Peter Robinson (Belfast, East) (DUP): I am grateful to the hon. Members for Inverclyde (David Cairns) and for Orkney and Shetland (Mr. Carmichael) for truncating their remarks to allow me the opportunity to speak. I am not sure whether it will be of great value to them, because on the British Midland flight this morning I put my scribbled notes on the centre seat while I talked to the man beside me and the steward came along and said, "Can I take that rubbish away?" I can only say that it is a pity that he was not the steward on the flight taken by the hon. Member for Foyle (Mark Durkan). We might all have had more of an opportunity to speak in this debate.

I welcome the introduction of the Bill. It represents a significant step in introducing new propositions that will significantly grow confidence in Northern Ireland in policing and justice. It allows for a methodology whereby the people of Northern Ireland can have confidence, despite the long-held concern that most within the Unionist community felt about the prospect of a Sinn Fein Minister or Sinn Fein being in control of policing and justice.

I can easily recognise that Sinn Fein has taken considerable steps, given where it started from, in giving support to the police and encouraging people to give information to the police, and that must all be welcome, but it does not amount to its having gained sufficient confidence within the community to allow it to hold that office. I have no doubt that the prospect of any of my colleagues being Justice Minister will not enthral those who support Sinn Fein. That is the nub of the issue: the requirement that whoever holds that position has support across the community, especially given the kind of post that we are talking about. In the fullness of time, as normality in political terms gains hold in Northern Ireland, no doubt the DUP can look to that post, and there will be many very capable of holding it.

It is regrettable that my colleagues do not have sufficient opportunity to speak on Second Reading, but I hope that there will be some flexibility during the Committee stage to allow them to make their remarks. Politics is the worse for the debate being reduced to one day. I cannot understand how the business managers of this House think that it is more important that those in another place have two days to debate the Bill while we have only one day.

Those who follow Northern Ireland affairs closely will be aware of the agreement that laid the foundation for this Bill. It took many months of negotiations to reach it, and it is important to understand the background to this measure—not just what it does, but what it does not do. That affects the wider question of the devolution of policing and justice functions in Northern Ireland.

The history of devolving policing and justice powers in Northern Ireland is encouraging to Unionists. Unionists fought to have those powers involved in the original settlement when Stormont was set up, and Carson and Craigavon rightly ensured that that Parliament had them. That was the Unionist thing to do. Some people out there would make out that having policing and justice powers was some fillip to Sinn Fein. The reality is that another Unionist Prime Minister refused to continue with devolution when those powers were taken away, saying that a Parliament without them was not worth having. Those powers are no big deal—or "no big move", as I have been quoted as saying—for Unionists. The control over those issues should be devolved to the Northern Ireland Assembly's Ministers.

The big issue—the big deal—has always been about who would have the powers under their control. My party made its position clear. I do not want to take up too much time, but the Democratic Unionist party manifesto is always worth reading. We made three specific commitments in it. First, we said that

"we support the devolution of policing and justice functions",

and what we are doing today is consistent with that. Secondly, we said that

"we believe this can only happen when there is the necessary support within the community."

I shall come back to that vital issue in a moment. Thirdly, we said:

"We have indicated that we do not believe there would be support for the devolution of such powers to a Sinn Fein Minister in the foreseeable future."

We stood on those points in the Assembly election, during which we brought out a policy document on policing and justice. Some of its wording has been mangled by some of our opponents, so it is proper that it should be placed on the record. It states that

"we support the devolution of policing and justice…but believe it can only occur in the circumstances where there is the necessary confidence within the community. In the Northern Ireland (Miscellaneous Provisions) Act 2006 we succeeded in ensuring there was a triple lock on the exercise of such powers…In short, we have negotiated a veto for unionists on the devolution of these powers."

Importantly, we went on to say:

"We have repeatedly indicated that in the context of Sinn Fein having a ministerial role in policing or justice it could be a political lifetime"—

the hon. Member for Inverclyde wondered whether that term would come up—

"before such powers would be devolved. However, we have now negotiated arrangements which allow the powers to be devolved when we are satisfied but also allow us to block a Sinn Fein Justice Minister."

Therefore it was very clear that it was in the context of Sinn Fein's having "a ministerial role" in policing or justice that a political lifetime could be involved. I am glad that, under the Bill, a cross-community vote will allow Unionist representatives to ensure that the person who holds the position is someone whom they believe fit to do so and someone with the confidence of the community. Equally, the nationalist community can have that confidence as well.

The hon. Member for Foyle has made much by stretching beyond credulity the issue of the arrangements in this Bill. I do not recognise the features to which he referred. Let me tell him why the d'Hondt issue came to a head with this Bill. If that system had been used, it might have helped the hon. Gentleman on this occasion, but it could have helped anybody else on a future occasion. As I said earlier, the important aspect of the position of Justice Minister is that the person who holds it should be able to gain cross-community support and the respect of the whole community in Northern Ireland. That is why d'Hondt was dumped, and it was a good precedent.

I agree with the hon. Gentleman that we need to tear down the rusty scaffolding of the Belfast agreement and get back more towards normality; the hon. Member for Inverclyde, a former Northern Ireland Minister, made that very point. We must continually reform the way in which we operate in Northern Ireland, not satisfy ourselves with what was effectively a cobbled-together version to deal with the specific difficulties that we faced. We must democratise Northern Ireland's institutions, daily if we can. I hope that the hon. Member for Foyle will join us in attempting to make those changes to move from the unusual structures set up by the Belfast agreement, but happily much reformed by the St. Andrews agreement, which brought real accountability to the process of government in Northern Ireland.

In 2007, we made our position clear in our manifesto and policy document. By contrast, the Ulster Unionists' position has moved considerably from where they were. I want to put on record the fact that there is no doubt that the hon. Member for North Down (Lady Hermon) would have been here today—she always takes a great interest in policing matters and often speaks on them—but she is attending the funeral of a former colleague. I am sure that the House will understand her absence in those circumstances. The position of the Ulster Unionists—I do not blame the hon. Member for North Down for this—is that they signed a deal that involved Sinn Fein and would have automatically devolved policing and justice in October 2005. Even while the arms were still being held, while violence was continuing, while criminality was going on, they signed up to a deal whereby at the end of the 2005 we would have had the devolution of policing and justice powers.

More than that, when we prepared for the setting up of the Assembly we had what was called the Preparation for Government Committee, although it changed its name at some point, in which we dealt with the issue of policing and justice. The Ulster Unionist party's representatives chided my party—I was deputy leader at the time—for not moving fast enough. Now we find—the Conservatives and Unionists' new farce is killing us—that we are moving too fast. Let me be clear: our speed on this matter will be based entirely on the electoral commitments; there is no other basis on which we will move. Nobody else will add to or take away from the conditions that are laid down.

I welcome the Bill. We will perhaps get the opportunity to correct some of the misunderstandings that people might still have about certain aspects of it during the Committee stage.

I want to allow my good friend, the hon. Member for South Staffordshire (Sir Patrick Cormack), the opportunity to make a contribution, should he catch your eye, Mr. Deputy Speaker, but first I should mention the appointment of judges. We rightly took the view that judges should be appointed by a completely independent body so that they are not political appointees and therefore there is credibility to their independence. That model could be followed by others. It is a good move and, irrespective of the circumstances that brought it about, it is the right move for Northern Ireland.

This is not the end of the legislative process. Legislation has to be passed in the Assembly, which is a process that we will soon have to begin. After that, there are the stages where we will have to be satisfied that there is support for these measures, although I honestly believe that that is growing. Since we managed to negotiate that Sinn Fein would not hold the justice ministry, I have not heard anywhere in my constituency the kinds of concerns that there had been previously. However—people do not want to hear this, but it still has to be said—confidence is about more than who will operate these structures; it is also about the funding of policing and justice. That is a very important matter. I have discussed it with the Secretary of State and will no doubt do so many more times. There is no sense in Northern Ireland's Assembly having responsibility for policing and justice if it does not have the resources to do the job. It is therefore vital that the Government divvy up in this regard.

When we entered into devolution in the first place, the Government gave us a financial commitment, about which there is some talk. I do not believe that the Prime Minister will go back on his word, and therefore I am sure that the rumours from the Treasury will be quashed at some later stage. But even though we had a deal for devolution, in which we were told that we could keep all the efficiencies made in Northern Ireland, there is talk in the Treasury that some of them will be pulled back. If people want us to have confidence in any deal that we do on finances for policing and justice, it will not set a very good example or give us confidence if the Treasury takes something back from the budget that was agreed to in the deal at the time of devolution.

I thank you for the opportunity to speak, Mr. Deputy Speaker. I wish the Bill well. Like any Bill, it could be improved and my colleagues and I are happy to listen to any amendments and to take decisions based on the merit of the case presented.

4.20 pm

Andrew Mackinlay (Thurrock) (Lab): I congratulate the politicians of Northern Ireland on reaching the agreement that meant that this Bill could come before

[Andrew Mackinlay]

the House. I want to hear from the Chairman of the Select Committee on Northern Ireland Affairs and my friend the hon. Member for Upper Bann (David Simpson), so I will curtail my comments—but not because I was approached in the past 15 minutes by two Whips. That is a monumental cheek, frankly, in view of what happened earlier today.

I would like to ask a question to the Secretary of State that he might answer in winding up or in Committee. As I understand it, extraditions between the Republic of Ireland and Northern Ireland, and requests for extradition from Northern Ireland to the Republic, have to come through the Ministry of Justice in London. Is there anything in the new arrangements that will allow us to avoid that process? It is not the distance of miles, but the fact that an extra party is involved in the extraditions that delays things, and it is quite frustrating for the police forces of both jurisdictions that such matters have to be dealt with through London. Will there be any change when the new judicial arrangements come in?

I was not clear about what the Secretary of State said about the Director of Public Prosecutions and the Attorney-General. The Attorney-General in the Northern Ireland jurisdiction will not be like the one here, who is a party political appointment and a Member of Parliament. The Attorney-General in Northern Ireland will not be a member of the Northern Ireland Assembly, although he or she will have access to it. I cannot see what the problem is. That is another example of where we could have had more time to tease out what is involved, including the relationship with the Secretary of State for Justice.

The hon. Member for Foyle (Mark Durkan) referred to 2011 and 2012, and there is a 2010 issue, as well. For the purposes of this afternoon's debate, let us assume that a Justice Minister is appointed from the Alliance party, is up and running in the role, but slips down the steps at Stormont—which are hard and difficult—and hurts himself badly, and then is no more. One cannot totally dismiss that scenario, but I do not wish it on anybody. What happens at the moment of such an unforeseen vacancy? It could well be that the Alliance does not wish to nominate in the unforeseen eventuality of a casual, but immediate vacancy occurring. How would that matter be resolved?

After the 2011 Stormont election, the size of the legislative Assembly has been large, and the proportional representation system allows room in the garden for most political interests. Boyd Black might lead a small, but significant Labour group in the Assembly—who knows? There is also the possibility, which we cannot dismiss, that there will be no Alliance party after the next election, and that all we will have is designated Unionists and designated nationalists. In that case, there will be an immediate paralysis that is not addressed by the legislation.

We need to keep the sanction for 2012, and for 2011, that there will be a dissolution of the Northern Ireland Assembly and a fresh general election if the body politic cannot agree on a new Justice Minister. It focuses men and women's minds like a hanging if they know that they are going to face another general election. I hope that we can explore that matter further in Committee, but having raised those points I now conclude.

4.24 pm

Sir Patrick Cormack (South Staffordshire) (Con): I am particularly grateful to the hon. Member for Thurrock (Andrew Mackinlay) for the gracious way in which he curtailed his remarks. I must say, any Whip who approaches him and tries to get him to speak for a very short time deserves the Whips' cross, or some other order. If anybody is incapable of being cajoled in that way, it is the hon. Gentleman.

I am grateful also to my right hon. Friend—if I am allowed to call him that—the First Minister, who made a splendid speech. He said some extremely important things and he could, and in many ways should, have spoken for longer, as indeed should the Liberal Democrat spokesman. That underlines the point that so many Members made in the earlier debate about the allocation of time. It really is shameful. It is shameful also that some Northern Ireland Members and my hon. Friend the Member for South-West Norfolk (Christopher Fraser), an assiduous member of the Northern Ireland Affairs Committee, will not be able to contribute to this Second Reading debate.

I wish to make a few brief points. When I came into the House in 1970 and sat next to a number of Ulster Unionists, who were then part of the Conservative party and a very different creation from the one that has appeared recently, we had a Parliament in Northern Ireland. As the First Minister indicated, there was a Minister in that Parliament who was responsible for policing and justice, which was an essential part of the settlement. I was here when direct rule was imposed, and I hope that I shall still be here when policing and justice are devolved again, and indeed for some years afterwards. That is why, like the First Minister and, I believe, everybody else who has spoken, I strongly support the Bill. That makes it all the sadder that we have a note of acrimony because of the curtailment of the debate.

I pay tribute to both the Secretary of State and, in particular, the Minister of State, who I hope will make a brief winding-up speech. He has endeared himself to people throughout the Province during his time there. It is crucial that, as and when policing and justice are devolved, that devolution sticks. That is why we must be guided on the timing of that devolution by those among the Unionist community who want it desperately. They have been magnanimous in not seeking to gain office for themselves, and given the current climate it is right that a member of another party, whether the Alliance party or another minority party, should hold the post of Justice Minister. That is for the people of Northern Ireland, and in particular the Assembly, to determine.

The hon. Member for Thurrock made the important point that there must be a contingency plan. None of us is immortal, and accident and death can happen to anyone, so there must be a contingency plan in the interests of continuity. I hope that the negotiations that will take place during the rest of this year, and until we have a Minister in place, will include proper provision for a contingency plan in the unhappy event of the incapacity or demise of the first Justice Minister.

It is crucial that there is proper financial stability and a proper financial settlement. I am glad that my hon. Friend the Member for South-West Norfolk raised that point in an intervention and that the First Minister underlined it. We all know the historic reasons why the

costs of policing in Northern Ireland are so different from the costs of policing on Merseyside. The Secretary of State used that analogy. Of course, it is not really an analogy, because I could say that the costs of policing in Staffordshire, which has a population roughly equivalent to that of Northern Ireland, are much less, but of course there was not a period of 30 years in Staffordshire when more than 3,000 people were killed. We all know that it will take a long time before there is absolute normality. It is crucial that the transition from responsibility here in Westminster to responsibility in Belfast should be smooth and seamless and there should not be problems over present-day policing.

Also, we have to bring to a conclusion the cost of policing the past. The Select Committee on Northern Ireland Affairs produced a unanimous report on that issue, and I am glad that the hon. Member for East Antrim (Sammy Wilson) is here, because he was a member of the Committee at that time—I pay tribute to him. However, we left a number of issues unanswered, awaiting the Eames-Bradley report. Now, when we look at the Eames-Bradley report, we must not dismiss the whole thing because of one particularly unwise recommendation. However, the furore caused as a result of that publication indicates the complexity of dealing with the past.

There is also a cost to dealing with the past. Whether one draws a line after five years or seven years, or whether one does not draw a line, there is a cost. The cost implications are considerable, and they are totally relevant to what we are discussing this afternoon, because if we create a situation where the costs are so overburdening that Northern Ireland cannot be properly policed, we will be giving a poisoned chalice to whomever holds that ministerial office and to their successors.

I will end on that note because we are about to hear the winding-up speeches and I do not want to transgress. It is crucial that what we are paving the way for here in Westminster today is a permanent solution. I want never again to see the imposition of direct rule in Northern Ireland. It would be a badge of failure for us all if that ever happened. It is therefore vital that the settlement that is agreed in Northern Ireland should be one that can last and that there should not be just one immediate Justice Minister, be they from the Alliance party or any other party, but that they should be the first in a long line. If that is the case, the work being done today will indeed be well done; if it is not, we will have failed the people of Northern Ireland, which we must not do.

4.32 pm

Mr. Laurence Robertson (Tewkesbury) (Con): Let me start by saying that the Bill is extremely complicated. It may be short and quite technical, but it is extremely complicated, in that it amends a number of previous Acts, as hon. Members have already said, and that those Acts have been amended previously. I thank the Clerks and the Northern Ireland Office for being so helpful, but at times even they had to do quite a bit of research to explain some of the things proposed by the Bill. I suggest that in future we try to find a slightly better way of dealing with legislation that amends so many previous Acts that have already been amended.

More time was needed for the Bill. Let me reiterate that Conservative Front Benchers took the view that the time would have been better spent on Second Reading rather than on debating the programme motion. That said, when the vote came we whipped our hon. Friends to support the amendment standing in the name of my hon. Friend the Member for Wellingborough (Mr. Bone). We on the Front Bench greatly regret the fact that this debate has been truncated, when there is very little business taking place in the House tomorrow. We could have gone over into tomorrow and had a proper debate, but now we will have only two hours for the Committee stage, and there are a number of amendments to discuss.

We support the concept of devolution. Over the past four years I have probably sat on more Statutory Instrument Committees than any hon. Member in this Parliament. We have decided some very important matters in Statutory Instrument Committee, especially before the Assembly was reconvened almost two years ago. I am clearly on record as saying how wrong it is to decide major issues that affect more than 1.5 million people in Committees upstairs that were, as ever, stuffed with people who would go along with the party line, which was certainly true of Government Members. That was wrong. Those issues should have been decided by the people of Northern Ireland, and I have clearly stated that on the record.

As my hon. Friend the Member for North Shropshire (Mr. Paterson) has said, we are very much in favour of devolving policing and justice. Of course, that has to happen when the time is right, and it has to be done in the right format. In our judgment, this model for the devolution of policing and justice is the one with the most merit. It could, however, be improved in a number of ways. We are concerned that there is no time limit for the appointment of a Minister to oversee these matters, when policing and justice are devolved. Devolution could take place without a Minister being in place, as the hon. Member for Foyle (Mark Durkan) has pointed out. After an Assembly election, all the other Ministers have to be appointed within seven days, but no time limit is specified for the appointment of this new Minister. Given the rather difficult security situation in Northern Ireland, we consider it unacceptable that responsibility should be devolved without a Minister being in place to oversee it. We have tabled amendments, which I hope that we shall discuss, to address that situation.

We hear what the Secretary of State has said about the supervision of the DPP, but we consider it unacceptable for someone in such a serious office not to be required to report to anyone or to obtain the protection of another Law Officer. Again, we have tabled amendments to try to address that situation. In regard to the comments made by the right hon. Member for Belfast, East (Mr. Robinson) about extracting the appointment of judicial positions from politicians, we also think that it would be better if the Attorney-General for Northern Ireland were appointed by the Lord Chief Justice for Northern Ireland, as that would strengthen devolution. We want to return to that matter in Committee.

Mr. Peter Robinson: If the Attorney-General were to appear before the Lord Chief Justice, what position would the Lord Chief Justice be placed in if the person appearing before him was effectively his appointee?

Mr. Robertson: If the right hon. Gentleman will allow me, we want to return to that matter in greater detail in Committee. We have tabled amendments on

[Mr. Laurence Robertson]

the subject, and we would like to discuss it at greater length at that time. We consider our proposal to be a better option.

I have only a short amount of time left, but may I just say that our final concern relates to the fall-back position? What would happen, for example, if the Department were dissolved on 1 May 2012? There should be something in the Bill to tell us what would happen in those circumstances. Again, we are trying to ensure that devolution will work. We are trying to cement it, rather than undermine it. I would be grateful if the Minister could address some of these points now, in case we do not reach them all during the very short Committee stage. I hope that hon. Members will forgive me for not referring to all the speeches that were made during our Second Reading debate. I have made notes on them all, but I do not have time to go through them. Some very important points were raised, however.

As has been said, the Bill does not introduce devolution, but it might encourage it when the time is right. As far as we are concerned, that is a matter for the Assembly to decide. At this stage, we wish the Bill well, but we will attempt to improve it somewhat during the very short Committee stage that follows.

4.39 pm

The Minister of State, Northern Ireland Office (Paul Goggins): I thank everyone who has participated in the Second Reading debate this afternoon. One of the important features of the Bill is that, while it is our business here, it is very much a Bill made in Northern Ireland, reflecting the agreement between the First Minister and Deputy First Minister in November last year and the report and recommendations of the Assembly and Executive Review Committee. From St. Andrews onwards, this Government have made it clear that we stand ready to do whatever we can to facilitate the move towards devolution—and now the completion of devolution—and that remains the case. That is why we have brought forward this legislation today. Of course, the question of when that will happen remains a matter for the Assembly, and the triple lock remains firmly in place. I thank the hon. Members for North Shropshire (Mr. Paterson) and for Tewkesbury (Mr. Robertson) for their broad support for what we are setting out to do in the Bill and for their continued support for the devolution process and the triple lock.

I have been asked three specific questions. Police pay and conditions are currently negotiated centrally, which will remain the case at the point of devolution. The Assembly could change the situation in the future, although my recommendation, such as it is, is that it should consider change very carefully, as there are many benefits from having central negotiation. On public inquiries and who pays for them after the devolution of policing and justice, they remain the responsibility of central Government. On the future financial position, we are currently in the period governed by the comprehensive spending review of 2007, and it remains the case that throughout this period £1.1 billion will be available for policing for each and every year of that settlement. Beyond that is another matter, which will be the subject of further discussions.

Both the hon. Members for North Shropshire and for Tewkesbury raised the issue of judicial appointments. I am pleased that they signalled their clear support for the removal of the advisory role of the First and Deputy First Ministers within the process. They mentioned that they would like to see a degree of superintendence by the Attorney-General of the DPP, although the hon. Member for North Shropshire said that he was reflecting further on it. It is important to understand that the relationship between the DPP and the Attorney-General for Northern Ireland is based on the criminal justice review of 2000 and subsequent legislation. The review stressed that visible independence for the DPP is essential. I will not repeat the entire Lord Mayhew quote, which my right hon. Friend cited in his speech, but the key words were that it was important for the DPP to be "entirely independent"—the emphasis being on both "entirely" and "independent".

There will also be a statutory duty to consult, and the consultation will be real. For example, in drawing up the code of practice for prosecutors, I expect there to be a full and frank exchange between those two people, whose relationship I expect to be meaningful. I hope to reassure the Opposition Front-Bench team—if not now, then in subsequent discussions—that the relationship between the DPP and the Attorney-General will really mean something and will count for something.

My hon. Friend the Member for Foyle (Mark Durkan) made a speech that has been much remarked on—I enjoyed listening to it. He made the point that much in terms of devolution is already in place, particularly in respect of policing. The Policing Board is now in place, as are district policing partnerships, which are working increasingly closely with community safety partnerships. All that amounts to a significant devolution of functions and responsibilities. Of course, the operational independence of the Chief Constable and the police is already happening. I do not tell the Chief Constable what to do now; and I will not be able to tell him what to do after devolution either. I pay tribute to the Chief Constable and his colleagues for the part they have played in the journey that has brought us to today's debate. It was not always easy to sit on the Policing Board or to go on to district policing partnerships, but he and his colleagues have done that.

I am afraid that I cannot agree with my hon. Friend the Member for Foyle on his point about the d'Hondt system. Frankly, it is not for us in this place to choose the Minister; what we are doing is putting in place an additional model to enable the Assembly to do that. If I may say so, the right hon. Member for Belfast, East (Mr. Robinson) made a very important point when he offered a clear explanation of why d'Hondt could not be allowed to work—particularly now, when confidence is essential and the Assembly needs to keep control over the appointment. I found that to be a very persuasive argument.

My hon. Friend the Member for Foyle and others have asked what would happen if there were no agreement after 2012. The Bill provides no fall-back position beyond May 2012. Frankly, it is not for us in this place to determine any additional model beyond that period; it is a matter for the Assembly. If there were complete breakdown—this comment applies to devolution generally—then of course central Government might need to step in, but they could not continue indefinitely in that way. There is no

fall-back position, as I have said, and it is entirely a matter for the Assembly. The hon. Member for Tewkesbury wants something built directly into the Bill to deal with this, but I think not. It is important to know that central Government do not have a major hand in determining what happens in a model beyond May 2012. That is a matter entirely for the Assembly.

Mr. Laurence Robertson: Our concern is this: if there is no model in place, what happens then?

Paul Goggins: The parties themselves will have to determine the model beyond May 2012. We are devolving policing and justice powers; we are not saying that we are partly devolving them and saving a little for ourselves. The matter is entirely for those parties. From everything that I see and hear, I am entirely confident that they can manage that constructively.

The hon. Member for Orkney and Shetland (Mr. Carmichael) is a good friend of the peace process, and I thank him for all the constructive discussions that we have. On his major point of concern, it simply could not happen that, frivolously, the Assembly could get rid of the Justice Minister on a whim. There would have to be a motion before the Assembly, which would have to be tabled by at least 30 MLAs. That motion would have to be tabled jointly by the First Minister and the Deputy First Minister.

In the end, there has to be a mechanism for removing someone from office. In every single one of the models—we will have nine if the legislation goes through—the mechanism for appointing the Minister is the same as that for removing that Minister. That is the justification and the rationale for this measure.

Mr. Carmichael: The fact remains, however, that, on the face of it, the Justice Minister will be left in a different position from every other Minister in the Executive. How can that possibly be right?

Paul Goggins: It will be a different arrangement for removal because there is a different arrangement for appointment. The same mechanism for appointment is therefore available for removal. That is entirely consistent with the other models, even if it is different in the respect that the Assembly appoints the Minister. The party leader would normally nominate the Minister and could remove that Minister. Here, the Assembly appoints and the Assembly could remove, but the safeguards mean that that could not be done frivolously.

I thank my hon. Friend the Member for Inverclyde (David Cairns) for his speech. He was an excellent colleague in the time that we worked together in Northern Ireland, and he made an important contribution. The right hon. Member for Belfast, East also made an important speech that was encouraging in terms of devolution and, in particular, the Bill before us. He outlined the work that has gone into getting to the point at which the measures in the Bill have become possible. I thought it particularly striking that he took so much time to emphasise how important it is to the DUP that the devolution of policing and justice is carried through, although he of course emphasised that who exercises those powers is important. It is also important that there is widespread community confidence, although as he underlined, that confidence is growing. That is something that we can all sense.

The right hon. Gentleman, in common with the hon. Member for South-West Norfolk (Christopher Fraser) and the right hon. Member for Suffolk, Coastal (Mr. Gummer),' mentioned the issue of cost. As he knows, that is subject to considerable work, led by Jeremy Heywood, who was appointed by the Prime Minister. No doubt that work will continue to attract his attention and that of others.

I thank the hon. Member for South Staffordshire (Sir Patrick Cormack) for the remarks that he made, and for his support and his scrutiny of all the issues that we are discussing today, as well as on other occasions.

I turn finally to my dear and hon. Friend the Member for Thurrock (Andrew Mackinlay), who I know was somewhat frustrated that he could not have quite as long to speak as he perhaps would have liked—we seldom do in this place. He raised some important points. If somebody left office, as it were, by accident, the Assembly would have the powers and the wherewithal to appoint somebody to stand in their place. It would be the same mechanism for then appointing somebody to succeed them.

My hon. Friend also asked about extraditions. Extraditions will not be affected by any measure in the Bill, although I am happy to meet him—

4.49 pm

Four hours having elapsed since the commencement of proceedings on the allocation of time motion, the Deputy Speaker put the Question (Order, this day). That the Bill be now read a Second time.

Question agreed to.

Bill accordingly read a Second time; to stand committed to a Committee of the whole House (Order, this day).

Northern Ireland Bill

Considered in Committee (Order, this day)

[SIR MICHAEL LORD—*in the Chair*]

Clause 1

NORTHERN IRELAND DEPARTMENT WITH POLICING AND JUSTICE FUNCTIONS

Question proposed, That the clause stand part of the Bill.

The Second Deputy Chairman of Ways and Means (Sir Michael Lord): With this it will be convenient to discuss the following: amendment 25, in schedule 1, page 6, line 10, at end insert—

'(2A) During the period between the relevant Minister ceasing to hold office and an appointment being made under the provisions of this Part, the Prime Minister shall appoint a person, being a member of the United Kingdom Parliament, to discharge the duties of the office.

(2B) A person appointed under sub-paragraph (2A) may speak and move motions in the Assembly.

(2C) The provisions in sub-paragraphs (2A) and (2B) shall not apply if the relevant Minister has ceased to hold office by virtue of a dissolution.'.

Amendment 19, page 6, line 15, at end insert—

'(4A) But a member of the Assembly who is a member of a political party may not be nominated unless the nominating officer of the party consents to his nomination within a period specified in standing orders.'.

Amendment 7, page 6, line 37, at end insert

'and in addition has made a solemn declaration to respect the operational independence of the Chief Constable of the Police Service of Northern Ireland and to uphold the independence of the judiciary'.

Amendment 20, page 6, line 42, leave out 'or'.

Amendment 4 , page 6, line 44, at end insert 'by such reason as—

(i) he has been convicted of a criminal offence in Northern Ireland or elsewhere after the date of his appointment;

(ii) he has become bankrupt or made a composition or arrangement with his creditors;

(iii) he is not committed to non-violent and exclusively peaceful and democratic means;

(iv) he is otherwise unable or unfit to discharge his functions as a minister.'.

Amendment 21, page 6, line 44, at end insert 'or

(d) where consent to his nomination was required under sub-paragraph (4A), he is dismissed by the nominating officer who consented (or that officer's successor) and the Presiding Officer is notified of his dismissal.'.

Amendment 3, page 7, line 9, at end insert—

'(13A) Standing orders may (but need not) limit the number of such motions that may be moved during any period specified in standing orders.'.

Amendment 8, page 8, line 10, at end insert—

'Immediate filling of Ministerial office

6A If, after a period of six months following a devolution Order relating to policing and justice being made, the Ministerial office has not been filled, the Secretary of State shall assume the direction of the department.'.

Amendment 26, page 8, leave out lines 12 to 22.

Amendment 22, page 8, line 13, leave out subsections (2) and (3) and insert—

'(2) If the relevant ministerial office has not been filled within the period mentioned in section 16A(3) then—

(a) all Northern Ireland Ministers shall cease to hold office, and

(b) all ministerial offices (including, notwithstanding any provision to the contrary, the relevant ministerial office) shall be filled by applying section 18(2) to (6) within a further period of seven days.

(3) Accordingly—

(a) section 16A(8) of the 1998 Act shall apply to a person taking up Ministerial office as a Northern Ireland Minister as if it referred to the period mentioned in sub-paragraph (2)(b), and

(b) section 32(3)(a) of the 1998 Act shall apply as if, in the case of Ministerial offices to be held by Northern Ireland Ministers, it referred to the period mentioned in sub-paragraph (2)(b).'.

Amendment 5, page 8, line 15, at end insert

'but within a period of six months beginning with the day of first meeting of the Assembly'.

Amendment 6, page 8, line 16, leave out sub-paragraph (3) and insert—

'(3) Sections 16A(8) and 32(3)(a) of the 1998 Act apply accordingly.

(4) If the relevant ministerial office is not filled within the period specified in sub-paragraph (2) the Secretary of State shall assume the direction of the Department.'.

Amendment 2, page 8, line 22, at end insert—

'Minister ceasing to hold office

7A Paragraph 3D(11)(c) of Schedule 4A to the 1998 Act does not apply—

(a) before a resolution is passed for the purposes of paragraph 8(1)(a) below, or

(b) if no such resolution is passed, before 1 May 2012.'.

Amendment 23, page 8, line 24, leave out paragraphs 8, 9 and 10.

Amendment 9, page 8, line 28, at end insert—

'(1A) In the event of the department being dissolved on 1 May 2012 or before, and neither of the provisions of sub-paragraph (1) have been fulfilled, the Secretary of State shall assume responsibility for policing and justice.'.

Amendment 27, page 9, line 15, at end insert—

'(10) If the department is dissolved at any time, the direction of the functions formerly performed by the department shall be undertaken by the Secretary of State.'.

That schedule 1 be the First schedule to the Bill.

New clause 1—*Expiry of sections 21A, 21B and 21C of and Schedule 4A to the 1998 Act*—

'After section 21C of the Northern Ireland Act 1998, there is inserted:—

"Expiry of sections 21A, 21B and Schedule 4A

21D (1) Unless, before 1 May 2012, the conditions set out in subsections (2) to (6) are met, then on 1 May 2012—

(a) all Northern Ireland Ministers shall cease to hold office (including any relevant Minister within the meaning of Schedule 4A);

(b) any deputy minister or relevant junior minister within the meaning of Schedule 4A shall cease to hold office;

(c) sections 21A, 21B and 21C and Schedule 4A shall be repealed;

(d) notwithstanding any provision of any Act of the Assembly to the contrary, there shall be only one ministerial office in respect of a Northern Ireland department exercising functions consisting wholly or mainly of devolved policing and justice functions;

(e) all ministerial offices are to be filled under section 18 of the 1998 Act.

(2) The first condition is an Act of the Assembly has provided for a Northern Ireland department exercising functions consisting wholly or mainly of devolved policing and justice functions.

(3) The second condition is that any provision of the kind referred to in section 21A(3), (3A), (4), (5) or (5A) was enacted, it has been repealed.

(4) The third condition is that a determination has been made under section 17 creating a single ministerial office in respect of the Northern Ireland department referred to in subsection (2).

(5) The fourth condition is that all ministerial offices have been filled under section 18 of the 1998 Act.

(6) The fifth condition is that an order referred to in section 4(2A) has entered into effect.".".

4.50 pm

Mark Durkan: As I said on Second Reading, and as Members will know very well, the SDLP does not have much of an appetite for clause 1. Indeed, we might have something of an allergy to it. However, as golfers apparently say, we must play the ball where it lies. We know what has been happening, and we know what will be happening.

Despite our misgivings about the changes involving the appointment of Ministers and the damage that that will do to the agreement, we have tabled a number of amendments that we believe would make good some of the damage, and also provide for a more definite fall-back than is provided for in the Bill. Indeed, we have been told that the Bill contains no fall-back.

Amendments 22 and 23 and new clause 1 are intended to deal with what will happen in 2011, and the possibility of an indefinite period with no Minister, following an Assembly election. Amendment 22 proposes that, rather than there being an election after seven days, the d'Hondt system would be reverted to: the fall-back would be as per the agreement. We believe that that would help to concentrate minds, because if parties wanted to avoid the d'Hondt option they would ensure that there was agreement on the election of a Minister, so the issue would not arise. The amendment would, we hope, help to avoid the difficulty that I described earlier.

Amendment 23 and new clause 1 deal with the 2012 problem: dissolution. The Minister said that the House was leaving all this to devolution, after which it would be a matter for the parties. However, the Bill does not only devolve; on 1 May it will dissolve as well, and we consider that wrong, rash and dangerous. We do not assume that there will be "sweetness and light" agreements before that date, and that people will not play all sorts of games of political brinkmanship on the way. We want a fall-back position guaranteeing that a Department will continue so that people can be assured of stability.

Mr. Peter Robinson: So that the hon. Gentleman does not put an unhelpful construction on it, let me explain why the outcome was agreed. It was recognised that, as policing and justice had not been dealt with in any Assembly for decades, it would be best to have the operation up and running under an agreed system: let us see where the problems lie and where the improvements can be made, and then we can design the more permanent model. No ulterior motives were involved.

Mark Durkan: I hear what the right hon. Gentleman says, but I have also heard him say on many occasions that the DUP does not want to go into devolution in circumstances in which there would not be a default position. Here we have the devolution of justice without a clear default position. Some of us do not believe that devolution without default should mean returning to direct rule. Some of us do not want to pull the direct rule communication cord just because political games are going on. We tabled amendment 23 to make good the problem that I identified earlier, which I shall not rehearse again.

Amendments 19, 20 and 21 relate to a point touched on by the hon. Member for Orkney and Shetland (Mr. Carmichael): the role of the nominating officer. Previous Government models for various forms of election of a Justice Minister allowed the nominating officer to consent to the nominations, and also to have a role in the removal of a party member from office. That is clearly absent here.

A number of questions arise, including those put by the hon. Member for Orkney and Shetland. There is nothing in the Bill to protect a Minister of Justice from being ousted from office on a pretty capricious basis. The fall-back—or non fall-back—position in paragraph 5(2)(b) of schedule 1 is to do with whether or not the Minister and deputy Minister can be from the two largest parties. Even if an Alliance Member had occupied the post on a transition basis, they might be discriminated against and eliminated from the fall-back model. That is why the Alliance should not, perhaps, trust everything in these arrangements.

There is another question for the Alliance party. It might not want a role in terms of the nominating officer and nominating or appointing the transitional Minister, because it might want to be able to say that they are not an Alliance Minister—it might want to be able to say that it is still the principled Opposition, and that it has not nominated or directly appointed a Minister, but that they are an Assembly nominee. Therefore, the Alliance would protect its position as being the Opposition, as it would claim. Our amendments are intended to address these matters.

Mr. Nigel Dodds (Belfast, North) (DUP): Does the hon. Gentleman not accept that at present the Assembly works in such a way that if a party in the Executive decides it wants to be in opposition, it simply says it is opposed to everything? Therefore, on the point about a proposed Alliance Minister saying that, because there was no nominating officer, their party is divorced from the situation, that happens even when there is a nominating officer—and even the hon. Gentleman's party denies any responsibility for Executive decisions on occasions, even though it has been participating in that.

Mark Durkan: I have observed before that irony in politics is usually just hypocrisy with panache. A Democratic Unionist party Member is complaining about parties with Members in the Government engaging at the same time in some Opposition tactics in the Assembly, but the DUP did that in the past, and it still does it. The hon. Gentleman asked the Minister of Education to change the budget even though it had already been decided, and brought motions before the Assembly, so we will take no lessons from him on that.

[Mark Durkan]

That other Members have already asked about the nominating officer issue adds to the currency and relevance of our amendments. We do not particularly want to press them to a Division; we just want to find out more about the thinking on these matters. Our reservations about clause 1 are known. We have tabled these amendments to try to reduce, mitigate and make good some of those concerns, and to unJo and limit some of the uncertainty that the Bill is impregnated with.

Dr. McCrea: I am delighted that the hon. Member for Foyle (Mark Durkan) is learning so many lessons from the DUP about ingenuity and excellence in strategy. A colleague of his in another place suggested he would have to be up early in the morning and have his breakfast a lot earlier before he would ever be able to outwit the DUP, but if he remains a Member for a long time he may learn a lot more about how to progress on the political scene.

I wish to talk about the SDLP's new clause 1 and about d'Hondt being the fall-back position if there is no agreement by May 2012. Let us be quite frank about this: the intention of those who want a real democracy in Northern Ireland is to move away from d'Hondt. We do not want to replicate a situation in which we have mandatory coalitions. Some Labour Members mentioned that to have a good system of Government, we need a vibrant Opposition, and I agree. Therefore, having everyone go into a mandatory Opposition and all the major parties are in the Government is not the best way to govern people. A voluntary coalition is completely different: those in government could have policies that are in line with each other, and those with different policies could oppose them and present their views before the people. That is a vibrant democracy, and although some might suggest that we keep on with and replicate the d'Hondt system, I believe the people of Northern Ireland want to move away from that.

Let me make it abundantly clear to the hon. Member for Foyle that the November agreement was predicated on there being no fall-back provisions in place after 2012, because in reality the fall-back is this House. Why, as an honourable Member of this House, would he not want that to be the fall-back position? Why would he not wish to rely on the sovereignty of this Parliament? I cannot understand why he is afraid of that situation.

5 pm

In the current circumstances, we do not want the Justice Minister to be selected by the d'Hondt system and that is why these arrangements are being put in place. Let us be frank about this; we must make things abundantly clear. The Democratic Unionist party does not want, and promised the people that there would not be, a Sinn Fein Member as the Justice and Policing Minister. We will not allow such a situation to develop—that was part of our election manifesto and promise to the people. The process that has been spoken about will ensure that, as the DUP has a veto on that part. Without apology we have a veto on that part, in the same way as the Government ensured that there would be the triple lock veto over the timing of moving forward on the final process to the devolution of policing and justice. This House ensured that that would be put in place. We will hold this House to it and, thus, my colleagues and I shall be totally opposing new clause 1.

Andrew Mackinlay: I have tabled three amendments, and I wish to amplify them. I still hope that I will be able to hear from my hon. Friend the Member for Upper Bann (David Simpson); to the extent that I contributed to the squeezing out, I apologise to him and his constituents. This clause stand part debate allows us to paint a wide canvas in our debate anyway.

I perhaps unintentionally caused some levity when I referred to the Justice Minister going down the steps of Stormont. The serious point is that if there is a Justice Minister, there could be a sudden, unforeseen vacancy, as a result of either a resignation or an accident—we cannot dismiss this issue. The problem is that such occasions often occur at the least convenient time, and there is the possibility of a big political row or crisis in Northern Ireland. Let us assume, for the purposes of this debate, that the Alliance party has filled this post. It might not suit the party, at such a moment, to offer a replacement, or the replacement might not be acceptable to the other political parties of Northern Ireland, and thus there could be a paralysis for a significant period.

May I buttress my argument by pointing out that when the right hon. Member for North Antrim (Rev. Ian Paisley) stepped down as the first First Minister, that created a hiatus—a period when it was not possible to agree, for some time, normal government arrangements? Had he not stepped down, that probably would not have happened, but the occasion invited some people, who are probably not in this Chamber, to orchestrate difficulties. I foresee a situation in which this would happen as a surprise and without notice. I put the following question to the Committee: can there be a Justice Ministry with no Minister? There is no jurisdiction in the democratic, free world that does not instantly replace a Justice Minister—it is done with dispatch.

Mr. Dodds: I understand entirely the point that the hon. Gentleman is making. With reference to the events of last summer, it needs to be put on the record that there was a smooth enough transition in the actual appointment of the new First Minister and Deputy First Minister. To come back to the point that I made in an intervention on the hon. Member for South Down (Mr. McGrady), what happened subsequently was that Sinn Fein decided—this was nothing to do with the process of the appointment of the First Minister and Deputy First Minister—to block meetings of the Executive on a political basis. We wanted to proceed with those meetings.

Andrew Mackinlay: I am grateful to the hon. Gentleman for setting the record straight, but that does not detract from my point. It was the occasion of the change that gave Sinn Fein an opportunity to cause problems, and that could happen again. We need to build in some contingency provision should such a situation occur and there is a sudden and unforeseen vacancy between now and the next Stormont elections, never mind 2012. The House should consider that if there is no prospect of an immediate appointment to the position—by which I mean two or three days, or at most a week—the default position should be that the Prime Minister would appoint someone with the power to appear before Members at Stormont and answer their questions, and to pilot legislation, although without voting rights.

Such a provision is necessary, because at the moment of his or her demise the Justice Minister could be in the middle of taking legislation through Stormont, and that would have to be suspended, even though it might be important or even—dare I say?—urgent legislation. That is the reasoning behind amendment 25. If a vacancy for a Justice Minister were not filled with due dispatch, as would be the norm in every jurisdiction in the free world, someone would be appointed by the Prime Minister of the United Kingdom. If that provision were on the statute book, it would help to focus the minds of those who make up the body politic of Northern Ireland to resolve the issue themselves.

After the 2011 Stormont election, it is possible that the Assembly will comprise only designated Unionists and designated nationalists. That could lead to paralysis again, so the sanction of dissolution, and thus another election, should exist if the new Stormont cannot resolve this Executive appointment. That sanction exists for the rest of the d'Hondt Executive, and this Bill ring-fences the Justice Minister by saying that the sanction would not apply. That would again invite those who are not in this Chamber to cause political aggravation. We need to strike out that provision, as amendment 26 provides.

The parliamentary draftsmen used peculiar wording in the provision to the effect that the Department would be dissolved. That is surprising, because a Department does not dissolve. A Minister might disappear, and paralysis might ensue, but the actual functions of a Justice Department would still be there—the civil servants, the lawyers and the bricks and mortar. We need provision for 2012, because if the Northern Ireland Assembly and Executive were not able to resolve a post-2012 situation, the default position should be a reversion to direct rule for that particular Department, and it is only good practice to put that in the Bill.

Those are the points that I wanted to raise and it seems to me that my amendment 27 would be a sensible solution. If we had had more time and a proper Committee stage, we could have explored this issue. In any event, those of us who have tabled amendments are inviting those in another place, before the Bill arrives there, to discuss these options with the Secretary of State and to prepare beefed-up amendments that encourage, coax and provide for the Northern Ireland Assembly to see that today's intentions are enduring and that once the powers for justice and policing have been devolved, they will not be subject to a hiccup or a hiatus that might be unnecessarily caused by people who might not be here.

Mr. Laurence Robertson: I want to speak fairly briefly, because we are short of time and I raised one or two issues on Second Reading. As I said, we welcome this model. It appears to us to be the best of the eight models, but we are concerned about one or two things. The hon. Member for Thurrock (Andrew Mackinlay) has reinforced the arguments about the open-ended nature of the situation. If policing and justice were devolved later this year—I hope that that will happen if the circumstances are right—how long would it take for a Minister to be in position? The hon. Gentleman is right that any Department needs a head, whether we call them a leader, a director, a Minister or something else. Otherwise, how can it function? If it can function perfectly well without that head, why should we have any Ministers at all? That is the logical conclusion of the argument.

We believe that there has to be a head of Department. We also believe that because of the special and difficult circumstances in Northern Ireland, and because this move is ground breaking, it is inconceivable that there should not be a Minister to oversee the Department. After an Assembly election, there are seven days in which all the other Ministers can be appointed, yet there is no time limit for this particular appointment. Of course, given the difficulties and sensitivities, it could take more than the normal seven days to fill the position. We also recognise that discussions have been going on about who would be suitable—perhaps I should say acceptable—in the role. It could be that that person did not win their seat back after an election, so we would have to start all over again. It could take a bit longer than seven days.

The time limit that we are suggesting is six months. According to the discussions that we have had, that is probably a long time, too. It probably is too long, but I wanted to put down some time limit and it is very difficult to come up with one. Given the record of deadlines being broken in Northern Ireland—the right hon. Member for Neath (Mr. Hain), who is not in his place but has contributed to the debate, famously broke two absolutely unbreakable deadlines the year before last—we know that it is difficult to impose deadlines. However, we already have a deadline for the appointment of the other Ministers and I suggest that we ought to have a deadline for the appointment of this Minister. As the hon. Member for Thurrock said, that would concentrate minds on what is absolutely necessary, if nothing else.

We are concerned about the immediate appointment if devolution takes place before the next Assembly elections. We are also concerned about the appointment after the next Assembly elections, so we tabled amendments 5, 6 and 8, which address those points. Amendment 8 refers to the time limits that can be taken to fill the office once the devolution order has been made, while amendment 5 requires the office to be filled within six months of the Assembly's first meeting after an Assembly election.

In amendment 6, we propose a default position. This is a difficult matter, as we want policing and justice to be devolved, as I have said repeatedly. It would therefore be deeply unsatisfactory to return the powers to the Secretary of State, but given the nature of the problem in Northern Ireland, that would probably be the least bad of all the options. The hon. Member for Thurrock has made his own suggestions about a fall-back position. I listened to him extremely carefully and do not have violent disagreements with what he said, but I think that I prefer our amendments.

5.15 pm

Amendment 9 refers to what would happen after 1 May 2012 if the Justice Department were dissolved. Again, I would consider it rather unsatisfactory if that happened; I would very much prefer it if the Assembly voted to extend the present model beyond 2012 or if it chose another one, but once again we need to consider what a fall-back position might be. In amendment 9, I have proposed the same one that would apply if the Ministers were not appointed, either now or after the Assembly election—that is, that control of policing and justice would come back to this place. Again, I think that that would be highly unsatisfactory, although I do

not believe that it will happen. The delicate negotiations that have allowed us to get as far as we have lead me to believe that we are starting to build on ground that is rather more substantial than sand. I hope that we do not get to the position where the proposed fall-back would apply.

Like the hon. Member for Thurrock, I do not know exactly what would be dissolved. If the Department were dissolved, who would give direction and carry out the administration? I listened very carefully as the Minister of State, who has momentarily left the Chamber, explained what would happen. He said that the Assembly would be charged with coming up with another model or reaching some further agreement. However, if no agreement has been reached by 1 May 2012, which is almost three years off, will the parties involved be able to come to another agreement so very quickly after that date? Alternatively, will the whole structure be in chaos?

With respect to the people who work in Departments with responsibility for matters such as tourism and so on, I point out that we are dealing with matters that are substantially more difficult and dangerous for the people of Northern Ireland and, given what has happened in years gone by, possibly for people in Great Britain as well. Having listened to what the Minister of State said, I am not entirely satisfied that we can leave the Bill as it stands, and I think that I would prefer a fall-back position to be put in place.

I do not intend to speak at any length to amendment 7, which is a probing amendment to ensure the independence of the PSNI and the judiciary in Northern Ireland. It addresses the concerns that have existed in Northern Ireland for a number of years and which have prevented the devolution of policing and justice. I would very much welcome the Minister's observations on that amendment as well.

Mr. Carmichael: I wish to speak to amendments 2, 3 and 4, which stand in my name and the names of my right hon. and hon. Friends. First, however, I should like to pick up a couple of points made by the hon. Members for Thurrock (Andrew Mackinlay) and for Tewkesbury (Mr. Robertson), both of whom have tabled amendments concerning the post-2012 scenario.

I listened with great care to both speeches, and I understand the logic of the reasoning, but I believe that putting into the Bill a provision that envisages the future involvement of Whitehall and Westminster in criminal justice matters in Northern Ireland would send the wrong political signals. Given the political history of Northern Ireland, I think that the Government would be ill advised to countenance the possibility that devolved criminal justice powers could head back here at some future stage.

Amendments 2, 3 and 4 express concerns to which I referred on Second Reading, but I will speak about each of them individually. I have already placed my concerns on record, and the Minister explained the Government's position on those concerns. He told us in his winding-up speech on Second Reading that those whom the Assembly appoints, it should have the power to remove, because other Ministers, who are effectively appointed by their party leaders, can be removed by their party leaders. I accept that that has a legislative and constitutional symmetry, but that should not be our only consideration; indeed, it is by no means the most important consideration. If legislative neatness had been our only consideration hitherto when passing Bills in this place, an awful lot of laws would have taken a very different shape.

The danger is that, in pursuit of legislative neatness, we might ignore or not give sufficient importance to the end product, which must surely be the devolution of criminal justice in a stable and sustainable way. I put it to the House, and directly to the Minister and the Secretary of State, that the model that they have put forward today would be neither stable nor sustainable. It would be unacceptable to leave a Justice Minister in a position in which his or her removal could be effected in a different way from that of every other Minister in the Executive. That would be unacceptable for any Minister. If the political operation of every Minister is to be of equal standing, the stability and continuity of the positions ought to be the same.

Mr. Peter Robinson: Would the hon. Gentleman not accept that although the situation for the Justice Minister is different, it is actually stronger? Surely someone who is nominated by the nominating officer of a party does not have the same standing as someone who has the cross-community support of the Assembly; it would therefore be harder to disqualify the latter from their position. On top of that, would it not be very foolish of somebody to take up the position unless they had settled, fairly clearly, that they would not be sacked on some frivolous account?

Mr. Carmichael: I accept that the right hon. Gentleman makes that point in good faith, but first, it concentrates more on the powers of appointment than on the powers of removal, and secondly I do not think that the circumstances that he mentioned do strengthen the Justice Minister's position, because whatever undertakings might be given at the time of the appointment, none of us knows what is around the corner. Earlier, the Secretary of State spoke about frivolous removal, but the removal need not be frivolous. It might be removal on the basis of substantial and important political issues. No other Minister can be removed in that way or for that reason, and I see no reason why the Justice Minister should be put in a different position.

As we all know from our daily experience in this place, the fact is that Justice Ministers and Home Secretaries are often called on to take very difficult decisions—decisions that probably, in an ideal world, they would choose not to take. They do so because they are in a secure position, however, and because they have to. If a Justice Minister is vulnerable to a populist movement within the Assembly, they will not be able to take the difficult decisions that a Justice Minister might be required to take. In that most important sense, the standing of the Minister within the Executive is diminished.

Sammy Wilson: The hon. Gentleman describes a situation that it was never intended would occur, and nor does the legislation intend any vote of no confidence or removal of the Justice Minister to occur. The removal of the Justice Minister would not result from some popular mood in the Assembly. The removal would first require that 30 Members of the Assembly—of course, they could come from one party—would table a motion, but that motion would have to command cross-community support, so it would not be a case of one party or even a couple of parties simply taking umbrage against the Minister. Surely, a frivolous removal of the Minister would not be possible.

Mr. Carmichael: Again, I say to the hon. Gentleman that we are not just talking about frivolous removal. We could be talking about removal for very good reason. It might be a substantial political issue that commanded broad public support, as these situations often can, on a day-to-day basis. He says, "Would not be removed, would not be removed, would not be removed", but I say "could". From the point of view of the Minister's position in the Assembly, that is unacceptable, because it is not a stable position.

Dr. McCrea: Surely this Minister would be more protected than any other Minister, because a nominating Minister can sack any Minister from his party at any time. One person can sack that Minister. But how could anyone defend a situation where the Justice Minister has lost the confidence of the House? Why would he be expected to stay?

Mr. Carmichael: I put that question back to the hon. Gentleman. I have spoken to number of Members of the Legislative Assembly concerning the position of the hon. Member for East Antrim (Sammy Wilson) and his comments on climate change. *[Interruption.]* He may not have lost the confidence of his own party, but I do not detect a great deal of confidence among the other parties. There is also the position of Catriona Ruane. I do not think, all things being equal, those Ministers could truly be said to maintain the full confidence of the Assembly. It is a consequence of the way in which the Executive is constituted that these issues are never properly tested, because everybody knows that the Ministers are impregnable. If those Ministers are impregnable, the Justice Minister should be put on exactly the same footing.

It is highly unlikely that an Alliance Minister would take the job on in these circumstances. If the Secretary of State devolves criminal justice in such a way that an Alliance Minister will not take it on, what is the point of doing it at all?

David Simpson (Upper Bann) (DUP): The hon. Member for Thurrock (Andrew Mackinlay) seemed to think that he had prevented me from speaking earlier and consequently had a guilty conscience. I assure him that I will speak to him afterwards. No, I am joking. His conscience can be clear, because it is the Government who introduced the guillotine, and they are to blame. It was impossible for hon. Members either to speak or to speak for the length of time that they might have wished. I shall be brief, but I hope that you, Sir Michael, will give me some leeway.

I want to make it clear that the DUP's position on policing and justice has been consistent. Furthermore, it is well known to Members of this House and to the public in Northern Ireland. We support the devolution of policing and justice powers, as long as it is done in the right way, at the right time, under the right circumstances and within the right framework. That has been our approach, and it is the right one. It is a measured approach that gives the greatest chance of success in the medium and longer terms.

5.30 pm

I turn briefly to the Assembly and Executive Review Committee's report; I understand that the Social Democratic and Labour party is well represented on that Committee. One of the Committee's recommendations is that there should be one Department. That, of course, is the Democratic Unionist party's position. Recommendation 9 states that, until May 2012, any Member elected as the Minister of Justice would require a majority of Assembly Members, present and voting, including a majority of designated nationalists and a majority of designated Unionists. The arrangements would be subject to a sunset clause, which would bring them to an end not later than 2012.

Mark Durkan *indicated dissent.*

David Simpson: The hon. Gentleman shakes his head, but members of his party are represented on the Committee.

The Committee went on to say that following a period of operation, and prior to May 2012, the arrangements could be reviewed, that permanent arrangements would be put in place by May 2012, and that there would be no fall-back arrangements. That, it said, would require the political parties to agree a way forward by that time.

Mark Durkan: The hon. Gentleman cites the report, but misrepresents the SDLP's position. We did not endorse that position, as was reflected in the debate in the Assembly. We tabled many amendments in the Committee that were not taken.

David Simpson: I take it, then, that the hon. Gentleman is saying that his party voted against in the Committee.

The Committee also stated in paragraph 36 that for the duration of the interim arrangements—until May 2012—the DUP and Sinn Fein would not nominate any Member from their parties as the Minister of Justice.

Those recommendations reflect and uphold a key DUP position. What would they mean in real terms? I notice that the SDLP claims that all this means the tearing up of the Belfast or Good Friday agreement. I understood, however, that that agreement had been binned once the St. Andrews agreement came in; indeed, only this morning the leader of the SDLP made that very point on BBC Radio Ulster.

I do not know why anyone is surprised that the DUP should be in the business of dismantling any old and failed system. It is important that we in Northern Ireland get this issue right. It is important that policing is dealt with correctly because we have to face many major policing problems in the coming months and years. As has been mentioned today, there is a massive shortfall—possibly running into hundreds of millions of pounds—in relation to the policing budget.

I endorse what my hon. Friend the Member for South Antrim (Dr. McCrea) said. We will oppose the SDLP amendments.

Sammy Wilson: I want to deal first with amendments 5, 6 and 8, tabled by the hon. Member for Tewkesbury (Mr. Robertson). I have to say that they are rather strange. His first amendment refers to a situation in which no Justice Minister has been appointed. If that happened before 2011 under devolution, what would the fall-back position be? Would the Secretary of State take over the post? If, after an election in 2011, the post could not be filled, what would happen?

[Sammy Wilson]

Of course, we would be looking for a Minister only if there had been agreement and there was sufficient confidence that we could devolve policing and justice in Northern Ireland. That would require us to be assured that there was confidence in the community not only that the Assembly would exercise the powers but about the person likely to be appointed Minister. That would be determined by our knowing which party or person was likely to be acceptable. The amendment would require us to consider agreeing to devolve policing and justice and then hope that we might be able to sort out who the person was going to be. That scenario is never likely to happen.

I turn to the hon. Gentleman's second amendment. We can prepare for the first step in devolving policing and justice following an election in 2011 and see whether we can agree a suitable candidate, but an arrangement could be put in place before 2011 that might not be possible thereafter because of the outcome of the election. My right hon. Friend the Member for Belfast, East (Mr. Robinson) has made it clear that my party wants policing and justice to be devolved only if there is long-term stability and confidence that it will be able to continue.

Let us envisage the situation that the hon. Member for Tewkesbury suggests—that we cannot agree on someone to take over as Minister. Six months is a very long period to leave a Department without someone in charge, but if we shortened the period and said, "If, after two weeks, you haven't got a Minister, you've got to have somebody in charge of the Department, so let it be the Secretary of State", that would be an odd, and very dubious, constitutional position. A threat of powers reverting to Westminster, with Westminster looking after the Department for much longer, would concentrate minds much more effectively than the possibility of the Secretary of State taking over the powers, even if we accepted that dubious constitutional arrangement.

For those reasons, I do not believe that the amendments are necessary, or that in the worst-case scenario they would be the best way forward. The default position whereby powers would revert to Westminster would be more effective in concentrating minds.

Amendments 3 and 4, which were tabled by the Liberal Democrats, deal with loss of confidence in a Minister. Under existing arrangements, there are no consequences to somebody putting down a motion of no confidence—people stick down a motion of no confidence just because they do not believe something that somebody else believes. If a motion of no confidence does not have to be tested, people stick them down rather frivolously; provided one keeps the support of the nominating officer, such frivolous behaviour can go on. I see that my hon. Friend the Member for Upper Bann (David Simpson) is looking at me; I do not know whether that is because I have lost his confidence. *[Interruption.]* I will not push that point too far.

The mechanism for appointing the Justice Minister requires cross-community support and the support of the Assembly. If that is the method of appointment, surely we should use the same method when we no longer wish that Minister to be in place. I was appointed a Minister because I had the confidence of the nominating officer; equally, I can be removed if I do not have the confidence of that officer. If someone has been appointed Justice Minister because they had the confidence of the Assembly on a cross-community basis—not because one person said that they would be a good person for the job—why would it not be effective to be able to remove them through that same mechanism?

Mr. Carmichael: The hon. Gentleman has moved on from the point on which I wanted to intervene, which was the fact that he clearly feels that motions for removal are moved capriciously or frivolously. Should the House assume that we would have his support for our amendment 3, which allows the Assembly to amend its Standing Orders to limit the number of removal motions that could be moved during a period that might be prescribed in the Standing Orders?

Sammy Wilson: There is a limiting mechanism already, which is twofold. First, for a motion to be tabled in the first place, the Minister would not have to have annoyed one person, or a small group of people; the Minister would have had to have taken decisions or acted in such a way that he or she had annoyed at least 30 people. For that motion to be pursued, the Minister would have had to have lost the confidence of the 30 people who had signed the motion, and cross-community support from throughout the Assembly. That Minister would have had to have annoyed people from the Unionist side and the nationalist side of the Assembly. I cannot see anything more limiting than that, and in those circumstances it is unlikely that there would be a host of motions for frivolous reasons, such as the Minister making a wrong decision about how money should be spent or about who should be appointed. There would have to be more serious grounds than that.

Mr. Peter Robinson: Does my hon. Friend accept that that mechanism is already available for other uses in the Assembly? It has never been used, despite the instances that have arisen. There was no attempt to use it against him for his views on climate change, and it was not used against the Minister of Education for her lack of direction on academic selection. It could have been used in either of those cases, for political reasons or for the purpose of disengaging the Minister concerned, but it has never been used yet.

5.45 pm

Sammy Wilson: I believe that the reason it has not been used is the very reason that I have given. I therefore believe that amendment 3 is unnecessary, because there are already mechanisms in place to prevent the situation that it envisages from occurring.

I turn to the Social Democratic and Labour party's amendment 21, which would require the nominating officer's consent to a Member's nomination as Justice Minister. I suppose that a lot of the matters that I have mentioned are interlinked. The whole point of the method of appointing the Justice Minister is that it is not to be a party decision or an appointment made on the basis of a preference expressed by one person, the party nominating officer. It is to be made by the Assembly because it has a particular reason to have confidence in the person chosen. The fact that policing and justice was not a devolved matter in the first place indicates that it was a much more sensitive issue than any of

those that are currently being addressed by the Executive and by Ministers and Departments of the Northern Ireland Government. The appointment is to be made not by the nominating officer but by the Assembly in a cross-community vote. The requirement of the nominating officer's consent therefore not only seems unnecessary but would give the impression that the Minister was in post only because he commanded the support of that one individual, rather than because he had the support of the Assembly.

That is also the reason why I do not accept the need for the Liberals' amendment on the removal of the Justice Minister. It will be a sensitive post, and removal from it will require a large number of people in the Assembly to have not just been annoyed by the Minister but totally lost confidence in him. It is important that that mechanism is in place, given the sensitivity of the post. It will be a different post from others, and the Minister will be appointed in a different way and require a different level of support. Equally, he must therefore be held to account in a different way. For that reason, we will not wish to support the amendments.

Mr. Woodward: I begin by thanking hon. Members for their support on Second Reading, which sent an important message from the House.

Clause 1 provides for schedule 1, which makes provision for the new departmental model proposed by the Northern Ireland First Minister and Deputy First Minister. The Bill will insert that model into the Northern Ireland Act 1998, in addition to the existing models. It does not require that it be used, but simply adds it to the menu.

Schedule 1 is split into three parts. Part 1 deals with preliminary issues, in effect positioning the schedule within the list of excepted matters in schedule 2 to the 1998 Act. Part 2 amends section 21A of, and schedule 4A to, the 1998 Act to make provision for the new departmental model. The defining features of that model are that it would consist of a single Minister, nominated by any member of the Assembly, elected by a cross-community vote in the Assembly and removed in the same way. The Justice Minister would not count towards parties' allocation of seats on the Executive under the d'Hondt formula.

I recognise that concerns have been expressed in a number of quarters about whether the arrangements provided for in the Bill for appointing and removing the Justice Minister are appropriate and proportionate. I will try to deal with those concerns, but let me begin by saying that the Government take them very seriously. We understand why hon. Members may have concerns, but I hope that it will be possible for me to alleviate some of them.

Amendments 19 to 21, standing in the name of the hon. Member for Foyle (Mark Durkan) and his party colleagues, would require any Member nominated for the post of Justice Minister to have the consent of the nominating officer of their party before that nomination could take place and would provide for the nominating officer of the relevant party to have the ability to dismiss the Justice Minister.

The role of the nominating officer in the process of appointing and removing the Justice Minister is not a new idea, as has been said this afternoon. Indeed, it was at the hon. Gentleman's suggestion that such a role was made a feature of the other models set out in the Northern Ireland Act 1998. However, the model that we are setting out in the Bill is not bound to reflect what happens in the other models, and such a role as proposed by the hon. Gentleman was not a feature of the model set out in the Assembly and Executive Review Committee report, which was approved by the Assembly on 20 January. In bringing forward legislation setting out that model, the Government have rightly been guided by the recommendations of that committee and by the views of the First Minister and Deputy First Minister, as co-chairs of the Executive.

I recognise that the Assembly's endorsement of the AERC report was not unanimous—I am sure that the hon. Gentleman would wish to draw that to my attention—and that concerns were expressed during the debate on that report. However, the fact remains that the report—and, therefore, the model set out in the Bill—was approved in a cross-community vote in the Assembly by 51 to 16. That is a significant seal of approval for the model from the democratically elected representatives of the people of Northern Ireland. Therefore, any departure from the structure set out in that report and endorsed by the Assembly would be a departure from the wishes of the Assembly. It is for that reason that we should accept the wishes of the democratic majority in the Assembly and not accept those amendments.

Amendment 7, which was tabled by the hon. Member for North Shropshire (Mr. Paterson) and his colleagues, also relates to the appointment of the Minister. The amendment would prevent the Justice Minister from taking up office until he had made

"a solemn declaration to respect the operational independence of the Chief Constable...and...judiciary".

I understand the basis for amendment 7 and support the sentiments behind it. The protections that it seeks, however, are already provided elsewhere in legislation. Section 1 of the Justice (Northern Ireland) Act 2002 already places a duty on those with responsibility for the administration of justice to uphold the continued independence of the judiciary, while the pledge of office contains a commitment to uphold the rule of law, based as it is on the fundamental principles of fairness, impartiality and democratic accountability. The Government do not believe that it would be appropriate to replicate guarantees that are already provided elsewhere in legislation. Similarly, we believe that the Justice Minister should be subject to the same pledge as the Executive Ministers.

Amendments 2 and 4, tabled by the hon. Member for Orkney and Shetland (Mr. Carmichael), pose a number of interesting questions. It is therefore appropriate to say a word or two about his remarks about the Justice Minister. He put forward the name of an MLA, but it is not for me, as the Secretary of State, to decide who the First and Deputy First Ministers, the Executive and the Assembly choose to be Justice Minister. What we are debating this afternoon is a model that can be used. I advocate that he shows a little caution, rather than perhaps being too predisposed at this stage to assume who may or may not be chosen. Yes, candidates are talked about, but what matters now is creating the model. It is not for this House to decide who should make that decision.

Mr. Carmichael: The Secretary of State will recall that I made that very point in my remarks on Second Reading. However, the model that we put in the Bill must be stable and sustainable, and I put it to him that what we have here is not.

Mr. Woodward: Let me try to find a way to come back to that.

Amendment 2 seeks to prevent the Assembly from resolving to remove the Justice Minister in the transitional period up to 1 May 2012. I think that the hon. Member for Orkney and Shetland would argue that that is for reasons of fairness and sustainability, to use the term that he has just used. Amendment 4 provides that the Justice Minister can be removed only if the Assembly resolves that the Minister has been convicted of a criminal offence; has become bankrupt or made an agreement with his creditors; is not committed to non-violent and exclusively peaceful and democratic means; or is otherwise unable or unfit to discharge his functions. Those are all issues that I think we can understand, and the hon. Gentleman puts them forward in the context of pursuing fairness and stability. Let us see whether they will provide those qualities.

As I have already said, the arrangements in the Bill relating to the appointment and removal of the Justice Minister reflect the explicit recommendations of the Assembly and Executive Review Committee, which were voted on and endorsed by the Assembly on 20 January. What would happen if the House were to accept an amendment that railroaded a decision made in the Assembly, on the basis that the hon. Gentleman just did not like it, and that it could be unfair? A democratic majority on the Assembly and Executive Review Committee has considered the provision and produced a report, and the matter has been debated in the Assembly. It was voted on and was passed not by a small majority but by a significant one. Can we really say, "I don't think that's good enough"? If the test is to be stability, that would be the quickest way of installing instability at the very beginning, before those in Northern Ireland have even begun to discuss what shape or form the Justice Department might take.

Mr. Donaldson: May I remind the Secretary of State that, on many occasions in many debates in this House, when right hon. and hon. Members and I were opposed to proposals that we were unhappy about arising from the Belfast agreement and other initiatives, we were told time and again by the Liberal Democrats that we had to accept them because a majority had voted for them? Are there not double standards operating here? *[Interruption.]*

Mr. Carmichael *rose—*

Mr. Woodward: I acknowledge that, but I think that the hon. Member for Orkney and Shetland wants to intervene as well.

Mr. Carmichael: I think that the hon. Member for Foyle (Mark Durkan) has given the right hon. Member for Lagan Valley (Mr. Donaldson) his answer. He said that the instances to which the hon. Gentleman refers were all to do with the referendum. However, there is a constitutional principle at stake here: it is this House and this Parliament that devolve power. While any indication from the Assembly is highly persuasive and certainly not to be dismissed lightly, the final decision rests with us. We do not subcontract our responsibility in that way.

Mr. Woodward: With huge respect to the hon. Gentleman, we have not devolved our responsibility. I am not asking the House to devolve responsibility this afternoon. I am asking it to add an additional model to the existing number of models, from which the Assembly will be able to choose, if it so wishes, to set up and use as a model for a Department of Justice. I remind the hon. Gentleman of the democratic structure that this House democratically put in place in previous legislation, which means that, even if the Assembly manages to find agreement and establish a Department of Justice, it will be up to the First Minister and Deputy First Minister to put forward a motion in the Assembly and for the Assembly to vote on it, after which—the hon. Gentleman is right—this House will have to make a decision to devolve. He really must separate out what is being done in this legislation with what might happen if the democratically elected Members of the Assembly at Stormont decide at some future date to exercise their authority.

David Cairns: May I encourage my right hon. Friend to continue along the path and treat what the hon. Member for Orkney and Shetland (Mr. Carmichael) has said with just a pinch of salt? We regularly get lectures from his party about issues that have a majority in the Scottish Parliament; that should dictate what is happening here, whether we are talking about opposition to identity cards or any other issue. My right hon. Friend is going down exactly the right path, and he is correct to say that, in the current circumstances, rejecting what the elected members of the Northern Ireland Assembly recommended to us after considering the issues in detail would be going down the path to instability.

6 pm

Mr. Woodward: I am grateful to my hon. Friend for that intervention.

To pick up the remarks that the hon. Member for Orkney and Shetland made at the beginning of his Second Reading speech and at other points this afternoon, he has been a very candid friend in this entire process. The amendments are entirely noble in seeking to probe the matter, and I will try to reassure him. I know that his interest is, in the end, only in securing stability in Northern Ireland and nothing other than that.

The hon. Gentleman has in mind—I do not know whether this is true of the First Minister and Deputy First Minister, the Assembly or anybody else in Northern Ireland—which candidate he prefers. He has mentioned David Ford, who has been referred to several times this afternoon. Let me say a few more things about the amendment in the hope that the hon. Gentleman will be persuaded, on balance, not to press it.

We all have enormous respect for David Ford and recognise the role that he has played. However, we must put on record the opportunity that he had to play a role when he and his Alliance party colleagues spoke in the debate in January. The hon. Member for Orkney and Shetland has raised the principled point that it is important for this House to pay significant attention to what has happened and perhaps to run in the opposite direction from the decision democratically taken in January.

If that issue were really the cause of the unfairness and instability that the hon. Gentleman worries about, one would expect the Alliance party and David Ford to

make quite a lot of it, and one would certainly expect it to have featured centrally in David Ford's remarks in the January debate. With that in mind, I re-read last night the *Hansard* report of that debate. I looked to see what was said and particularly at what David Ford said. In fact, he did not say a word about this particular issue. He said:

"Certainly, my party broadly welcomes the report because there is little in it as it stands with which to disagree."

As the hon. Gentleman knows, the recommendation for this particular power to be used in this particular way for appointment and removal is explicitly made in the report.

David Ford also said:

"The Alliance Party has always considered the timing of devolution of policing and justice to be condition-led, rather than calendar-led."

He recognised the importance of the conditions, and he is a man of fine principle. What, then, did he proceed to say? He said:

"By any stretch, however, the point has been reached when progress must be led by the calendar and conditions. In that context, it is pleasant to be able broadly to welcome such a constructive and positive report."

He also said:

"The Alliance party wants the devolution of policing and justice to happen as soon as possible and practicable."

In other words, he provided a great deal of support for the report.

I am simply saying to the hon. Member for Orkney and Shetland that if his concern was such a problem, why did it not appear in the Assembly debate? I accept that the issue is important, but it was not raised in the debate and did not concern those who were present. Given that we are not asking for devolution this afternoon but are merely seeking to create an additional model, we should be very careful before railroading such a consideration through.

Sir Patrick Cormack: If I may say so, the Secretary of State is replying to the debate on the amendments in exemplary fashion. He is, very properly, taking his time to do so, but does not this illustrate the nonsense of today's timetable? Here we are, considering the first group of amendments. He is behaving as a Secretary of State should—seeking to respond, to persuade, to explain, and to deal adequately and properly with amendments. He has been on his feet since 5.48 pm. No criticism could possibly be directed at him, yet in less than an hour, all debate on the Bill in the House will have finished. It really is not good enough.

Mr. Woodward: I hear the hon. Gentleman, although, as he knows, we had that debate earlier. Indeed, for reasons that I respect, but perhaps do not agree with, it took considerable time that we might otherwise have used.

Mr. Carmichael: I am grateful to the Secretary of State for giving way. He is being generous with his time, if little else. I concur with the remarks made by the hon. Member for South Staffordshire (Sir Patrick Cormack) as far as they relate to the timetable, but if this is dealing with amendments in an exemplary fashion, he is setting the bar rather low.

The Secretary of State speaks about respect for David Ford, then deals with his actions in the Assembly debate in a way that I think rather lacks a degree of respect, which I am looking for. If the Secretary of State is seeking to persuade me not to press the amendments, he is going about it in the wrong way. Is he really saying that, because of that one speech, the position of the Alliance party is bound thereafter for all time, or that I, as a Front-Bench spokesman in this House, should necessarily be bound? If that is the height of his argument, it is not impressive.

Mr. Woodward: It is difficult to respond to that rationally, but I will do my best. I simply say to the hon. Gentleman that I am working on the facts and the speeches that were made in the Assembly. It is not my responsibility what Mr. Ford says or does not say; I can only report what he has said. In reporting what he has said, it is perfectly clear to me that he had the opportunity, if this was an issue of such concern, to raise it. With huge respect to the hon. Gentleman, it is not entirely irrational for me to have expected Mr. Ford to raise the issue at that time.

All I say to the hon. Gentleman is that if his criteria are stability and fairness—if they are the two criteria we should operate on—what represents the greater unfairness and the greater instability? Those measures were not asked for in the Assembly. They have not been asked for by Mr. Ford and were not asked for by the Alliance party in the Assembly debate, which was voted on. Those measures are not a fair reflection of where the Assembly is. Therefore, with huge respect, if we choose to depart from that, we will have to accept the consequences. It is my judgment that, for that reason, we should not accept these proposals. However, I ask him to remain our candid friend. I know that he might not like what I have said this afternoon, but there is nothing I can add to what I have already said. For the reason I have given, the Government oppose the amendments, as they constitute a departure from the position that has been agreed.

The Government recognise that there have been concerns that the power could be used vexatiously. That is why proposed new subsection 3D(13) of section 21A of the Northern Ireland Act 1998, as amended, which is in schedule 1 of the Bill and provided for at line 5 on page 7, restricts the circumstances in which a motion for removal can be tabled. It needs either to have the support of 30 or more MLAs or to be tabled by the First and Deputy First Ministers acting jointly. Those filters are the same as those that already apply to exclusion motions under section 30 of the 1998 Act.

Amendment 3 would provide further protection against such vexatious requests by providing that the Assembly's Standing Orders may limit the number of removal motions that may be moved during any period. However, the power for the Assembly to regulate its own proceedings by Standing Orders is already provided by section 41 of the 1998 Act. It is therefore the Government's position that such an amendment is not required.

Mr. Peter Robinson: May I add my voice to the attempt to end any doubt on the part of the hon. Member for Orkney and Shetland (Mr. Carmichael) about what may lie behind the appointment of a Justice Minister by the method that is chosen, or indeed the removal of the Justice Minister? Neither the First nor the Deputy First Minister will wish to do anything

[Mr. Peter Robinson]

other than give full support to a Justice Minister, especially a Justice Minister who will have been appointed by a more democratic method than any other Minister in the Executive and who will therefore be harder to dismiss.

If there were any difficulty in the process, of course the prospective Justice Minister could talk to the First and Deputy First Ministers about what lay ahead to ensure a clear understanding of the nature of any potential removal from the job. If necessary, the Assembly itself—not the House of Commons—would have power to change its Standing Orders, through its Committee on Procedures, to make whatever relevant change was necessary.

Mr. Woodward: I think that what the right hon. Gentleman says is entirely fair, but I understand why there is concern, and I only hope that the hon. Member for Orkney and Shetland will find that we can deal with his worries.

Part 3 of schedule 1 deals with the arrangements that will apply during the initial period of devolution, up to 1 May 2012, if this new model is the one selected by the Assembly. Paragraph 6 disapplies, at the point of devolution, the normal requirement to re-run d'Hondt following the establishment of a new Department. Paragraph 7 waives, during the period up to 1 May 2012, the requirement that the Justice Minister be elected within the seven-day envelope set for the appointments of all other Ministers after an election. That avoids the possibility of another election being triggered automatically, and is intended as a prudent transitional arrangement to allow the Assembly flexibility to deal with the issue in the early years of devolution in a way that minimises disruption to devolution.

Amendment 26, tabled by my hon. Friend the Member for Thurrock (Andrew Mackinlay), opposes that provision. I hope that what I have said, and what I will say in a moment, will persuade him not to press his amendment to a vote. I recognise, of course, that there are fears that both after the transfer of powers and after the 2011 election, the Assembly will be unable to agree on whom to appoint as Justice Minister, but a number of amendments put before the House deal with that difficulty.

Amendments 5, 6, 8, 9 and 27 seek to provide that if a Justice Minister has not been appointed six months after responsibility for policing and justice has devolved or six months after the Assembly election in 2011, or if the Department is dissolved in 2012, the Secretary of State shall assume the direction of the Department or of the functions that it previously exercised. Amendment 25, also tabled by my hon. Friend the Member for Thurrock, provides that the Prime Minister should have power to appoint a Member of this House, or of another place, to act as Minister during even a short-term vacancy—due to a fall down the steps of Stormont, for example—in the office of Justice Minister.

Although I acknowledge that having no Justice Minister in place is clearly unsustainable in the long term, if the Assembly were unable to appoint a Justice Minister it would be right for the Government and Parliament to have the maximum flexibility to decide both when and how to intervene if such action were ever required. In my view, it is unhelpful to speculate at this point on exactly what the nature of that intervention might be, and on when it might prove necessary.

Such prescriptive amendments would prevent the necessary flexibility in those extreme circumstances should they ever arise, and for that reason the Government oppose them. However, I am happy to assure the House that, in doing so, we are not claiming that it would ever be acceptable simply to abandon responsibility to people in Northern Ireland in the event of what would effectively be a catastrophic breakdown of confidence. Rather, we are saying that we should have confidence in the parties which have themselves produced this agreement and which have, through their Assembly, produced the report that we hope will become this legislation, and that we should back and have the confidence of the parties behind it.

Amendment 22, tabled by the hon. Members for Foyle, for Belfast, South (Dr. McDonnell) and for South Down (Mr. McGrady), adopts a different approach to the problem of the Justice Minister's post not being filled. It proposes that in the event of no Justice Minister's being appointed within seven days of an election, all Northern Ireland Ministers will cease to hold office and will be reappointed by means of the d'Hondt mechanism, including the Justice Minister, irrespective of what other provision the Assembly has previously made for the selection of the Justice Minister.

6.15 pm

This approach is built on by new clause 1, which provides that unless certain conditions have been met before 1 May 2012, all Ministers will cease to hold office at that point and the posts, including that of Justice Minister, will be filled using d'Hondt. This is a significant and radical departure from the wishes of the Assembly as set out in recommendation 10 of the Assembly and Executive Review Committee report, which states that the appointment of the Justice Minister should be made by cross-community vote, at least in the transitional period up to May 2012. It also goes against the terms of the agreement between the First and Deputy First Ministers, which stated that there should be no presumption about the fall-back arrangements for appointing the Justice Minister in the absence of agreement in 2012. It is essential that the House grasp this point: one of the bases of the 18 November agreement is the assumption that there would be no fall-back arrangement. Therefore, to put anything else in its place would be to undermine the principles by which that agreement was reached. It is for this reason that the Government are unable to support these amendments.

Paragraph 8 of schedule 1 provides that the Justice Department will automatically dissolve on 1 May 2012 unless the Assembly has before that date passed either a resolution, with cross-community support, to continue the Department under the same model, or an Act making new arrangements for the ministerial oversight of the Department, choosing any one of the pre-existing seven models.

Amendment 23 seeks to remove paragraph 8. Doing so would remove the provision that gives effect to the part of the First and Deputy First Ministers' agreement that outlines that the initial arrangements for ministerial oversight of the Department should be sunset on 1 May 2012, and that there should be no presumption about what the oversight arrangements would be beyond that date. This was an integral part of the political agreement that enabled recent progress. In addition, removing

paragraphs 9 and 10 would mean that, should the Assembly not elect to use the Minister/junior Minister model in the first instance to set up a Department of Justice, it would be unable to switch to this model at a later date, should it wish to do that.

Amendment 23 also seeks to remove paragraphs 9 and 10, which make technical amendments to sections 21B and 21C of the 1998 Act to allow for the possibility of this model—the Minister/Deputy Minister model—being selected as the second model. This is necessary because at the time that model was legislated for, it was anticipated that it would be used as the first model and the legislation was drafted accordingly. The Government therefore oppose this amendment.

This clause and schedule are necessary to give effect to the agreement reached by First and Deputy First Ministers on the departmental model for a Justice Department and, as such, to pave the way for the future devolution of policing and justice at the point that the Assembly is ready to request it.

Mr. Laurence Robertson: The Secretary of State has dealt with one of our amendments—that relating to the independence of the judiciary and the police—but he has not really spoken to amendments 5 and 6 regarding the time limit for appointment both now and after an Assembly election. May I invite him to do so?

Mr. Woodward: With respect, I think that when the hon. Gentleman reads *Hansard*, he will see that I did in fact address that.

In conclusion, let me simply say that I believe these issues were very carefully weighed by the Assembly and Executive Review Committee, that it reached the right conclusions, and that this model will give stability and fairness for this interim period until arrangements for a permanent Department are put in place. It might also be of assistance if I remind the hon. Gentleman that these proposals include a review of the arrangements by the Assembly before May 2012. That should provide some comfort to him, and to other hon. Members who, very understandably, have highlighted issues, but which I believe can, on closer scrutiny, be satisfied.

Question put and agreed to.

Clause 1 accordingly ordered to stand part of the Bill.

Clause 2

JUDICIAL APPOINTMENTS AND REMOVALS

Question proposed, That the clause stand part of the Bill.

The Chairman of Ways and Means (Sir Alan Haselhurst): With this it will be convenient to discuss the following:

That schedule 2 be the Second schedule to the Bill.

That schedule 3 be the Third schedule to the Bill.

That schedule 4 be the Fourth schedule to the Bill.

That schedule 5 be the Fifth schedule to the Bill.

That schedule 6 be the Sixth schedule to the Bill.

Dr. Alasdair McDonnell (Belfast, South) (SDLP): We are opposed to clause 2, and schedules 2, 3, 4, 5 and 6, standing part of the Bill. In our view, all those provisions deal with the role of the First Minister and the Deputy First Minister in judicial appointments. I wish to make it clear that although the SDLP has never advocated political interference in judicial appointments, we feel it appropriate that there should be some democratic input from the First Minister and the Deputy First Minister.

We have endorsed what is in the criminal justice review, which emerged from the original Belfast, or Good Friday, agreement—namely, a limited political role for the First Minister and the Deputy First Minister. This involved the Judicial Appointments Commission taking the lead role for all appointments below High Court level, but with the First Minister and the Deputy First Minister having the power to require the JAC to reconsider—once only, I hasten to add—in respect of any vacancy and perhaps come up with an alternative or further recommendation. The criminal justice review gave the First Minister and the Deputy First Minister a more limited role still in the senior appointments—the High Court appointments—but we feel that that struck an appropriate balance in order to provide some democratic or political input without necessarily creating political interference. Clause 2 and schedules 2 to 6 end any sort of democratic input in judicial appointments, and that means that we will not have devolution of the responsibility for judicial appointments. Let us be clear that nothing in schedule 6 means that the useful existing arrangements can be, or will be, revived.

Similarly, the criminal justice review provided for the First Minister and the Deputy First Minister to be given a limited role in the removal of a judge, should that ever become necessary for whatever reason. Under the current arrangements, they could manage to trigger a tribunal to consider a difficulty associated with a less senior judge who was appointed, but they could not directly remove an individual judge. Again, the opportunity to trigger has disappeared. Although the criminal justice review was implemented by the Justice (Northern Ireland) Act 2002 and was extended in the Justice (Northern Ireland) Act 2004, all this appears to be gone. I presume—I do not know—that this has been done somehow or other with the agreement of the First Minister and the Deputy First Minister, and their respective parties. I, like my SDLP colleagues, believe that this is the wrong way to go. We believe that the criminal justice review struck the right balance, and I believe that is why this House legislated for that balance in 2002 and 2004. Does the Secretary of State really now believe that the balance struck by those Acts and passed by this House got it wrong somewhere or other? I suggest that clause 2 should not stand part of the Bill.

Mr. Dodds: I shall make a small contribution to this clause stand part debate. It was interesting that the hon. Member for Belfast, South (Dr. McDonnell) advanced the argument that it is wrong to remove certain powers from the Office of the First Minister and Deputy First Minister, although these powers are limited in relation to the appointment and removal of judges. I say that because time and again we have heard members of his party, and perhaps him too, rail against what they describe as power grabs by the First Minister and the Deputy First Minister, and the office that they hold. All sorts of arguments have been advanced in the Assembly, and outside it, about how my right hon. Friend the Member for Belfast, East (Mr. Robinson) and others are out to take ever more powers to the centre and so on, yet here we are, in a situation in which they have agreed to divest themselves of certain responsibilities on the basis of removing any hint—

Dr. McDonnell *rose—*

Mr. Dodds: I shall give way.

Dr. McDonnell: Could the hon. Gentleman perhaps distinguish between short-term abuse or mismanagement by the current office holders and the point that I am trying to make, which is the important and all-embracing nature of this issue? This is about the long-term and about what happens whoever the office holders may be. The fact that the current office holders perhaps do not behave in the most appropriate way is no argument for not doing the thing right.

Mr. Dodds: I am not sure that that intervention really clarifies things or helps to advance the case that the hon. Gentleman made. Indeed, the recent Financial Assistance (Northern Ireland) Act 2009 was a long-term solution to a pressing problem to do with a gap in the powers of the First Minister and the Deputy First Minister, and it was bitterly opposed by the hon. Gentleman and his colleagues even though it will provide hardship relief to many vulnerable people in our communities across the board.

The appointment of senior judges in Northern Ireland is a sensitive and important issue—as is the whole issue of justice and policing devolution, which is why we need to scrutinise it carefully with sufficient time to do so. I agree with others who have said that they are disappointed about the lack of time for proper scrutiny. It is strange that the hon. Gentleman should take the position that he has. I would have thought that most people in Northern Ireland were somewhat reassured by the fact that there should be no suggestion of political interference in the appointment of High Court judges, given the role that they play. The hon. Gentleman talked about a democratic input, but people are concerned that political interference might be brought to bear on such appointments. I have to point out that for positions much less sensitive and important than that of High Court judge, his party has been careful to point out how politicians should be removed from the process of both appointment and removal. I fail to understand the hon. Gentleman's approach in this case.

My party believes that this process is an advance and will provide reassurance. It helps with confidence building, and people across the board in Northern Ireland will be reassured that politicians will not have an input in judicial appointments and removals. There is an important role for Assembly politicians to play in many other areas, but judicial appointment and removal should not be a matter for party politics. We support this clause as it is an improvement on the current position and it is in line with our party policies and our manifesto commitments.

Mr. Laurence Robertson: I wish briefly to place on record our opinion that this part of the Bill is actually the most agreeable, largely for the reasons given by the hon. Member for Belfast, North (Mr. Dodds) and especially given the difficult negotiations that have taken place up to this point. It is my understanding that the question of who appoints the judiciary has been one of the sticking points, and it is therefore important that politicians are taken out of the process of selection or dismissal of the judiciary. The principle of separation of powers comes to mind, but, given the sensitive situation in Northern Ireland, this is the best way forward. I am therefore afraid that we cannot support the hon. Member for Belfast, South (Dr. McDonnell) if he presses this issue.

Paul Goggins: I have a very long speech, but the House will be delighted to learn that I do not intend to use it all.

I thank the hon. Members for Tewkesbury (Mr. Robertson) and for Belfast, North (Mr. Dodds) for their support. The phrase used by the latter to describe this clause was "an advance" and, much as it grieves me, I have to disagree with my hon. Friend the Member for Belfast, South (Dr. McDonnell) on this point. In the discussions that we have had today, the issue of independence has been at the forefront of our minds in relation to other matters. Clearly, in the separation between judicial appointments and removal on the one hand and the political process on the other, there is always a delicate balance to strike. It is important that we strike it in the right place—and in this context, that we strike it in the right place for Northern Ireland.

6.30 pm

Clause 2 introduces schedules 2 to 6—in other words, most of the content of the Bill—and makes provision in relation to judicial appointments and removals. In broad terms, the Bill provides that responsibility post-devolution for most judicial appointments will rest with the Northern Ireland Judicial Appointments Commission and that the role for the First Minister and Deputy First Minister, as originally envisaged under the Justice (Northern Ireland) Act 2002, would fall instead to the commission. Let me give an example. New section 12 of the Judicature (Northern Ireland) Act 1978 provides that the Lord Chief Justice and lords justices of appeal shall be appointed by Her Majesty on the recommendation of the Prime Minister. Before making a recommendation, the Prime Minister must consult the Lord Chief Justice or, if that office is vacant, the senior Lord Justice of Appeal who is available, and the Judicial Appointments Commission. The proposed procedure is broadly similar to that set out in the 2002 Act, although the requirement on the Prime Minister to consult the First Minister and Deputy First Minister and their subsequent engagement with the commission are removed.

In terms of removals, the 2002 Act also anticipated that the First Minister and Deputy First Minister would be responsible for the removal of listed judicial office holders after devolution. Paragraphs 5 to 7 of schedule 3 amend sections 6 to 8 of the 2002 Act to provide that the Executive functions that the First Minister and Deputy First Minister would have exercised in relation to the removal of listed judicial office holders will instead be conferred on the Lord Chief Justice as head of the judiciary in Northern Ireland, or on the Northern Ireland judicial appointments ombudsman.

The key point is that amending the arrangements for judicial appointments and removals so as to omit any Executive function for Northern Ireland Ministers has clearly been a key element of the agreement between the parties setting out the process leading to the devolution of policing and justice powers. Indeed, let me refer explicitly to the letter from the Assembly and Executive Review Committee. This was agreed:

"In order to ensure the independence of the Judiciary responsibilities in relation to the appointment and removal of judicial office holders would rest with the Judicial Appointments Commission."

The schedules do exactly that. We are entirely in line with the mood from the Assembly and Executive Review Committee and with the will of the Assembly as a whole. The clear separation and the removal of the First Minister and Deputy First Minister from their advisory and appointment functions is broadly supported and is the right way forward.

Question put and agreed to.

Clause 2 accordingly ordered to stand part of the Bill.

The Chairman: We now come to amendment 18.

Mr. Eddie McGrady (South Down) (SDLP): With the permission of the House, I should like to ask leave to withdraw the amendment.

The Chairman: I am grateful to the hon. Gentleman, but silence would have effected the same result.

Clause 3

MISCELLANEOUS AMENDMENTS

Mr. Laurence Robertson: I beg to move amendment 10, in clause 3, page 2, line 17, at end add—

'(4) Section 22 of the Justice (Northern Ireland) Act 2002 is amended as follows—

(a) for subsection (2) substitute—

"(2) The Attorney General for Northern Ireland shall be appointed by the Lord Chief Justice and the provisions of section 5 (as amended) shall have effect for the procedure governing such appointment".

(5) In the Justice (Northern Ireland) Act 2002 omit section 41.'.

The Chairman: With this it will be convenient to discuss amendment 11, in schedule 3, page 15, line 12, at end insert—

'(11A) In section 42 for subsection (1) substitute—

"(1) The Director must exercise his functions under the superintendence of the Attorney General for Northern Ireland in relation to devolved matters and the Advocate General for Northern Ireland in relation to retained matters and is subject to any directions given by either of them thereunder, but a failure to comply with this subsection does not affect the validity of anything done by or on behalf of the Director."'.

Mr. Robertson: We have reached the amendments rather earlier than I had anticipated, but I am not complaining about that. Nevertheless, I want to tell the Government that we are still short of time.

We have talked a lot about strengthening the independence of the judiciary. One of our proposals is that the Attorney-General for Northern Ireland should be appointed by the Lord Chief Justice on the advice of the Judicial Appointments Commission and not by politicians. I know that when the right hon. Member for Belfast, East (Mr. Robinson) intervened at an earlier stage, I said that I would return to that point. I have since had a brief word with him to clarify his concern. We have talked about the matter and we feel that our amendment is probably the best way forward. I cannot go into all the details now, as I do not have time, but if we get time later we can return to that point. We have discussed the matter with our shadow Attorney-General. We have had extensive discussions about the amendment and we feel that it would improve the Bill. We believe that the amendment would have the added advantage of strengthening the principle of devolution, as the independent nature of the appointments system, free from political interference, would stabilise a very sensitive process.

We are also concerned about how, under the proposed model, the Director of Public Prosecutions after devolution would be left without supervision or protection by a person accountable to the Assembly. We agree that his role should be made independent and free from politicians, but the Government propose creating a hybrid that, in effect, would leave him entirely unaccountable and unprotected.

The DPP has far reaching powers. His is a very powerful role—for example, he can enter a nolle prosequi application, or decide to prosecute or to stop criminal proceedings—yet he is answerable to no one. He may carry out his functions how he wishes, and he would be removed only in extreme circumstances, such as if he were totally failing to carry out his role. We do not believe that that should be the case. The DPP, like other members of public bodies and the judiciary, should be capable of being held accountable. We propose that he should enjoy the supervision of the Attorney-General for Northern Ireland on devolved matters, and of the Advocate-General on reserved matters.

Our amendment would have the added advantage of providing the DPP with a colleague who could speak for his Department in the Assembly. In Great Britain, the Attorney-General is a member of the Government and can speak in Parliament on behalf of the Crown Prosecution Service, so we feel that the DPP should have the same protection in Northern Ireland. We feel more strongly about this part of the Bill than about most others.

Mr. Woodward: Has the hon. Gentleman had time to consider how he can square the proposals in his amendment with the advice given to the review of the criminal justice system in Northern Ireland? That gave very clear indications as to how the legislation should be set out.

Mr. Robertson: We have not had a huge amount of time, but we have studied the matter to the extent that we were able. We are still persuaded that we are putting forward a better argument.

Mr. Woodward: I know how strongly the hon. Gentleman feels, and I hear that he may be proposing to divide the House over this amendment. That would matter a great deal, as the signal that that would send out is so important.

The advice to which I am referring makes it very clear why the review decided that the separation should take place in the way that is set out in the Bill, and why it should be structured as we propose. The review was carried out in 2000 and published in 2002, which means that, even if they have not drawn it to his attention before today, the hon. Gentleman's advisers have had several years to look at it. His amendment would tear up the proposals in the Bill. Why, given the importance of the future and stability of the criminal justice system in Northern Ireland, does he choose to advocate that?

Mr. Robertson: Well—

Mr. Jonathan Djanogly (Huntingdon) (Con): Will my hon. Friend give way?

Mr. Robertson: Certainly.

Mr. Djanogly: I thank my hon. Friend. Does he agree that the model being adopted is more or less the same as the one that exists in the Republic of Ireland? The model that he is talking about is more like the English one.

Mr. Robertson *rose—*

Mr. Woodward *rose—*

The Chairman: Order. I have to maintain some semblance of order here. The hon. Member for Tewkesbury (Mr. Robertson) was taking an intervention from the hon. Member for Huntingdon (Mr. Djanogly), so I think that he has to be allowed to respond to that before he can take any further interventions.

Mr. Robertson: I can respond very simply to my hon. Friend the Member for Huntingdon (Mr. Djanogly). We have of course discussed the matter, and I agree entirely with him.

Mr. Dodds: Surprise!

Mr. Robertson: Our great difficulty with the Bill as it stands is that we believe that the DPP will be accountable to no one, and we cannot accept that. We also see that he will be completely unprotected by anyone able to report to the Assembly. That is the basis for our argument.

My hon. Friend the Member for Huntingdon has momentarily left his seat, but I know that he will be seeking to catch your eye, Sir Alan. Perhaps he and the Secretary of State will be able to attack each other without me having to act as referee, but I have set out the basis for our objection to the Bill as it stands.

Mr. Woodward: I am always delighted to engage with the hon. Gentleman, but with huge respect, given the importance of the issue, the signal that the amendment sends and the work of the criminal justice review, before he decides to divide the House, may I suggest that if he and his advisers are not up to speed with the criminal justice review—it can happen to any of us—they take the time to get up to speed, before we send what would seem to be a very destabilising signal to the criminal justice system in Northern Ireland?

Mr. Robertson: I am grateful for the way in which the Secretary of State is attempting to persuade me not to press the amendment to a Division, but we have discussed the issue as far as parliamentary time would allow. He tried, very gently, to persuade me not to push the case, so I will respond as gently as I can: we have all been put in a difficult position, not only by today's unnecessarily tight timetable, but by the timetable under which the Bill was laid before Parliament. I know that the Secretary of State delayed its introduction for one week, but we still had very little time to discuss it. Nevertheless, we have certainly consulted the document to which he refers, and we are concerned about the fact that the DPP would be in a difficult position if our amendment were not carried.

Sir Patrick Cormack: I want to be helpful. I understand my hon. Friend's concern, and I admire his assiduous work for Northern Ireland considerably, but we are in a very unsatisfactory situation. The timetable is ridiculous. Would it not be sensible to confer with our friends in the other place, and then perhaps table an amendment? *[Interruption.]* If I could have my hon. Friend's attention for half a second, if there is to be a Division, let it be after further mature consideration in the other place.

Mr. Robertson: I understand my hon. Friend's concerns on the matter. We have carried out a great deal of consultation on the subject. The advice that we were given, which may contradict the advice in the document to which the Secretary of State refers, was that we really should revisit a situation in which the DPP is unsupervised and unprotected.

Mr. Woodward: I genuinely really want to help the hon. Gentleman. With huge respect, again, the criminal justice review is not just some document, or some piece of consultation. It is the document on which much of the present and future judicial system in Northern Ireland is based. If the hon. Gentleman's advisers have failed to consult the document—they have had seven years to do so, and not just the afternoon—I honestly advise him not to press the amendment. It is in the interests of the people of Northern Ireland that he gives himself and his advisers time to reflect on the matter.

Mr. Robertson: I understand that we have 17 minutes left, and I know that one or two other hon. Members wish to contribute to this debate. Of course, we will listen to what they have to say, but I think that I have made the case for what we are proposing, and I shall leave the matter there.

Mr. Carmichael: I will not detain the House long. I have a lot of sympathy for the predicament in which the hon. Member for Tewkesbury (Mr. Robertson) finds himself. The Secretary of State is right that the review has been around since 2002, but it is only 10 days ago that we knew how it would affect the legislation. I do not think that the hon. Member for Tewkesbury is to be criticised for probing the issue in the way that he has done.

I come to the question as a former career prosecutor. My experience informs me that the independence of the prosecution service is important. The reasoning behind the conclusions of the review were sound, and they ought to be supported. They should not be dismissed lightly. There is certainly a case to be made for ensuring proper accountability for the Public Prosecution Service, particularly in respect of its use of resources. That accountability is best done as it is in the Scottish model by the Lord Advocate answering questions in Parliament. I do not know whether the DPP has some audience rights within Stormont. If not, that would be the obvious cure for the defect identified by the hon. Gentleman and by others. Beyond that, the independence of the prosecution services in going about their work is of supreme importance and I would caution the hon. Gentleman against pursuing this matter too far.

6.45 pm

Mr. Peter Robinson: It is sufficient to say that I am not entirely persuaded by the argument that has been advanced so far. I will speak for only a few minutes,

which may give the opportunity for a strategic withdrawal to be arranged, which would be sensible in the circumstances.

The amendment that I want to touch on relates to the Attorney-General. The Opposition spokesman is right that I intervened earlier to say that the Lord Chief Justice would be put in a difficult position by that proposition. The Lord Chief Justice would be asked to appoint an Attorney-General—one of the QCs, no doubt, who would be a member of the Bar—and any time that the Attorney-General would appear before the Lord Chief Justice, the Lord Chief Justice would be hearing the case from his chosen one, the one whom he had favoured, and unquestionably there would be people who would doubt the independence of any decision that would arise therefrom.

Mr. Djanogly: Does the hon. Gentleman not accept that there are conventions that deal with such conflicts?

Mr. Robinson: That would mean removing the Lord Chief Justice, the most senior Law Officer, from the most important cases; no doubt, those being taken in defence of the Government. That would not be a wise move.

Much of today's debate has been on what appeared to be the unanimous decision of the House that greater independence was needed and that politicians should not be in the job of appointing judges. Now we have the proposition that the judges should appoint those who will go into the political arena to answer questions in the Assembly and to represent the politicians in the Government, and that is not a good way forward either.

The actual outcome was one of the easiest for the Deputy First Minister and I to come to an agreement on. I think it took only a few hours for us to agree who the best person might be for the post of Attorney-General when the moment came to make such an appointment, and we publicly said that our choice was John Larkin, QC. I have not heard one word of disagreement from any section of the community about that choice. The politicians were able to make that choice in a way that was responsible and would have merited confidence in the community. I suspect that the proposition offered by the Conservative party would not do that.

Mr. Djanogly *rose—*

The Chairman: I am sorry to have to say it in open Committee to the hon. Gentleman, but it is not permissible for two members of the Front-Bench team to speak in the debate or to intervene, so it is rather unusual for him to seek to speak when the amendment has already been moved from the Front Bench.

Mr. Laurence Robertson: On a point of order, Sir Alan. My hon. Friend the Member for Huntingdon (Mr. Djanogly) is not a member of the Northern Ireland Front-Bench team.

The Chairman: The instruction given on the Bench Note is that the Committee stage Front-Bench team would comprise the hon. Members for Tewkesbury (Mr. Robertson) and for Huntingdon (Mr. Djanogly). As the amendment has been moved from the Front Bench, we must rest at that.

Sir Patrick Cormack: My hon. Friends the Members for Tewkesbury (Mr. Robertson) and for North Shropshire (Mr. Paterson), who speak from the Opposition Front Bench, are being given advice by their adviser, my hon. Friend the Member for Huntingdon (Mr. Djanogly), who sometimes speaks from the Front Bench, so they cannot hear the advice that I am trying to give them, but I earnestly beseech them to recognise that, after due consideration, they have hit upon an important point, which clearly merits further consideration. I hope that, having heard what the First Minister said—I am sure they did—they will take carefully to heart his gentle, persuasive advice, have further discussions with our noble Friends who will debate this Bill for two whole days and arrange for a proper debate on a similar amendment in another place.

In the meantime, due consideration could be given to all the literature on this subject—particularly to the seminal document to which the Secretary of State referred. It can then be decided whether the proposal is sensible or whether it would be better to make another one. I urge my hon. Friends to ponder those points, and not to press for a Division.

Paul Goggins: It is time for a pause, to breathe and reflect. If the hon. Member for Tewkesbury (Mr. Robertson) wishes to intervene to tease this issue out a little further, I will be more than happy to give way. However, like the Secretary of State, I have to put it to the hon. Gentleman that if he were to insist on a vote, he would seek to overturn a fundamental principle and part of the Northern Ireland criminal justice review of 2000 and the subsequent legislation. That would be a significant step.

Mr. Laurence Robertson: The fact that there was a review several years ago does not bind us today. That said, we try to deal with these matters on a cross-party basis. Given the advice of the Secretary of State, the Minister, the First Minister and the Chairman of the Northern Ireland Affairs Committee—and given the misunderstanding, no doubt our fault, that led to my hon. Friend the Member for Huntingdon not being able to contribute—we would like to reserve the right to return to the issue in another place. I will not press the amendment to a Division.

Paul Goggins: I am grateful for that. The hon. Gentleman and I spend a lot of time in Committee together, and I have always found his approach to such issues entirely practical. I thank him for that. The issue is as significant as I have set out, so I am pleased that he is taking further time to reflect. As Members of the other place consider the issue in the days ahead, I am sure that they will look at what the review document says.

Mr. Djanogly: The Minister keeps referring to the review. Although we appreciate that there has been a review and although, in contrast to what the Secretary of State said, we did read it, does the Minister not appreciate that we are still entitled to debate the issue? The Minister speaks as if we are not allowed to.

Paul Goggins: Any party is, of course, entitled to raise debate in this place; that is what this place is about. However, we also have to respect and recognise that in the process of improvement and change towards peace and progress in Northern Ireland, certain key staging

[Paul Goggins]

posts have been reached. A very important staging post was the criminal justice review in 2000 and the subsequent legislation that went through the House. We have to respect that. Without that settlement, much development of the criminal justice process in Northern Ireland that has happened since would not have happened.

The question of independence is important. I return to what the document itself says:

"in the particular circumstances of Northern Ireland, we believe that this independence should be further strengthened, by ensuring that the relationship between the Attorney General and the head of the prosecution service, while containing elements of oversight, is consultative and not supervisory. In other words, there should be no power for the Attorney General to direct the prosecutor, whether in individual cases or on policy matters."

Indeed, reference was made to Lord Mayhew's comments during the passage of the Justice (Northern Ireland) Act 2002:

"Given the highly charged atmosphere of Northern Ireland—to use a well-chosen word that appears in the review—it is important that this enormously invasive prosecution arm of the state should be exercised in Northern Ireland by an official who is entirely independent. That is a departure from the current system in England and Wales and in Northern Ireland."—[*Official Report, House of Lords,* 13 June 2002; Vol. 636, CWH 93.]

So it is a different system, but a system that, following the review, was felt to be highly appropriate for Northern Ireland. That does not mean that the Attorney-General and the Director of Public Prosecutions do not have a relationship: they do; it is a very strong relationship that is bound by statutory consultation. As I said earlier, there will be robust exchanges between the Attorney-General and the Director of Public Prosecutions in drawing up the code of practice for prosecutors. They have a statutory relationship in terms of consultation but not in terms of superintendence or direction.

Mr. Djanogly: I am pleased that the Minister is admitting that we will now be pulling away from the system that exists in this country, which did not seem to come across in his earlier remarks, but who is the DPP going to answer to?

Paul Goggins: The DPP will be answerable to the Assembly for the use of resources and the administration of its office—that is very clear—but not for individual prosecution decisions, which are entirely for the independent DPP. It is important at the point of devolution that that is made absolutely clear and enshrined in the institutions.

Mr. Donaldson: I chaired the Assembly and Executive Review Committee for a time. When we considered these matters, it was our understanding that when the Director of Public Prosecutions presented his annual report he would come to the Justice Committee in the Assembly and be subject to questioning, and the Committee would have the opportunity to consider his report. A degree of accountability is therefore built into the system.

Paul Goggins: The right hon. Gentleman is entirely right. This does not apply only to producing the annual report. If a Committee, particularly the Justice Committee, wished to take evidence from the DPP, the DPP could be invited to attend and such evidence could be given. Indeed, the DPP gives evidence to Select Committees in this House, as the Chairman of the Northern Ireland Affairs Committee will know.

Mr. Dodds: It is also worth pointing out, further to the intervention by my right hon. Friend the Member for Lagan Valley (Mr. Donaldson), that when all these issues were considered in the Assembly, I do not remember a single Member or party raising any concern on this particular point. The issue of independence, which we discussed in relation to a previous clause, has been accepted in Northern Ireland.

Paul Goggins: Indeed, it is broadly accepted, certainly in the conversations that I have with the Lord Chief Justice, the Director of Public Prosecutions, or anybody else. The issue of independence is absolutely written through the whole system and is seen as highly significant.

It is not only the DPP who may be invited to give evidence and have to produce an annual report—the Attorney-General, too, may be so invited. Indeed, both will have speaking rights in the Assembly and be able to speak to and respond to Assembly Members, whether in the Assembly or in Committee. There is a very clear structure of relationships both between the Attorney-General and the Director of Public Prosecutions and between those office holders and the Assembly.

The right hon. Member for Belfast, East (Mr. Robinson) touched on the appointment of the Attorney-General and pointed out the difficulties that would be faced were the Lord Chief Justice to make that appointment. There would also be a difficulty given that the Attorney-General has always been seen as somebody who would have a wider advisory role in giving legal advice, perhaps advising the Executive on certain key issues. It would be very uncomfortable, I suggest, for the Lord Chief Justice to appoint the person who would then advise the Executive. Any Lord Chief Justice would approach such a scenario with extreme caution. Of course, it is very important that the Attorney-General has independence, which should be safeguarded from inappropriate political pressure. The appointment of the Attorney-General, therefore, is made jointly by the First Minister and the Deputy First Minister, and the choice of John Larkin is, as far as I can tell, generally and widely welcomed.

Mr. Laurence Robertson: As previously indicated, and for the reasons that I gave, we will not press the amendment to a vote. We reserve the right to consider it further over the next few days, but we will not press it to a vote tonight.

7 pm

Debate interrupted (Order, this day).

The Chairman put forthwith the Question already proposed from the Chair (Order, this day), That the amendment be made.

Question negatived.

The Chairman then put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Order, this day).

Clause 3 ordered to stand part of the Bill.

Clauses 4 and 5 ordered to stand part of the Bill.

Schedule 1

NORTHERN IRELAND DEPARTMENT WITH POLICING AND JUSTICE FUNCTIONS

Amendment proposed: 2 , in page 8, line 22, at end insert—

'Minister ceasing to hold office

7A Paragraph 3D(11)(c) of Schedule 4A to the 1998 Act does not apply—

(a) before a resolution is passed for the purposes of paragraph 8(1)(a) below, or

(b) if no such resolution is passed, before 1 May 2012.'.—*(Mr. Carmichael.)*

The Committee divided: Ayes 56, Noes 376.

Division No. 54] **[7.1 pm**

AYES

Alexander, Danny
Baker, Norman
Barrett, John
Beith, rh Sir Alan
Brake, Tom
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Davey, Mr. Edward
Davies, Mr. Dai
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
George, Andrew
Gidley, Sandra
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Holmes, Paul
Horwood, Martin
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Kramer, Susan
Lamb, Norman
Laws, Mr. David
McDonnell, Dr. Alasdair
McGrady, Mr. Eddie
Moore, Mr. Michael
Mulholland, Greg
Oaten, Mr. Mark
Öpik, Lembit
Pugh, Dr. John
Rennie, Willie
Rogerson, Dan
Rowen, Paul
Sanders, Mr. Adrian
Smith, Sir Robert
Stunell, Andrew
Swinson, Jo
Teather, Sarah
Thurso, John
Wareing, Mr. Robert N.
Webb, Steve
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny

Tellers for the Ayes:
Mr. Alan Reid and John Hemming

NOES

Abbott, Ms Diane
Afriyie, Adam
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Amess, Mr. David
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Atkinson, Mr. Peter
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Baldry, Tony
Barker, Gregory
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Begg, Miss Anne
Bellingham, Mr. Henry
Benn, rh Hilary
Bercow, John
Beresford, Sir Paul
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blizzard, Mr. Bob
Blunt, Mr. Crispin
Bottomley, Peter
Bradshaw, Mr. Ben
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burrowes, Mr. David
Burt, Alistair
Butler, Ms Dawn
Byers, rh Mr. Stephen
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Cash, Mr. William
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Greg
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cormack, Sir Patrick
Crabb, Mr. Stephen
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Philip
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Djanogly, Mr. Jonathan
Dobbin, Jim
Dobson, rh Frank
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dorries, Nadine
Drew, Mr. David
Duncan, Alan
Dunne, Mr. Philip
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Fabricant, Michael
Fallon, Mr. Michael
Farrelly, Paul
Field, rh Mr. Frank
Field, Mr. Mark
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Fox, Dr. Liam
Francis, Dr. Hywel
Fraser, Christopher
Gale, Mr. Roger
Gauke, Mr. David
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibb, Mr. Nick
Gibson, Dr. Ian
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Hanson, rh Mr. David
Harper, Mr. Mark
Hayes, Mr. John
Healey, rh John
Heathcoat-Amory, rh Mr. David
Hendrick, Mr. Mark
Hendry, Charles
Hepburn, Mr. Stephen
Heppell, Mr. John
Herbert, Nick
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hoban, Mr. Mark
Hodgson, Mrs. Sharon
Hollobone, Mr. Philip
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horam, Mr. John
Howarth, rh Mr. George
Howarth, Mr. Gerald
Howell, John
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jack, rh Mr. Michael
James, Mrs. Siân C.
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kawczynski, Daniel
Keeley, Barbara
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Mr. Greg
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laing, Mrs. Eleanor
Lammy, rh Mr. David

Laxton, Mr. Bob
Lazarowicz, Mark
Leigh, Mr. Edward
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Linton, Martin
Lloyd, Tony
Loughton, Tim
Love, Mr. Andrew
Lucas, Ian
Mackay, rh Mr. Andrew
Mackinlay, Andrew
Mahmood, Mr. Khalid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Mates, rh Mr. Michael
May, rh Mrs. Theresa
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McCrea, Dr. William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McIsaac, Shona
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Mercer, Patrick
Merron, Gillian
Michael, rh Alun
Miller, Andrew
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Moss, Mr. Malcolm
Mullin, Mr. Chris
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Newmark, Mr. Brooks
Norris, Dan
O'Brien, Mr. Mike
Osborne, Sandra
Palmer, Dr. Nick
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Pritchard, Mark
Prosser, Gwyn
Purchase, Mr. Ken
Randall, Mr. John
Redwood, rh Mr. John
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, John
Robertson, Mr. Laurence
Robinson, Mr. Geoffrey
Robinson, rh Mr. Peter
Rooney, Mr. Terry
Rosindell, Andrew
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Ruffley, Mr. David
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Scott, Mr. Lee
Seabeck, Alison
Selous, Andrew
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Shepherd, Mr. Richard
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Simpson, David
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soames, Mr. Nicholas
Soulsby, Sir Peter
Spellar, rh Mr. John
Spelman, Mrs. Caroline
Stanley, rh Sir John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Stuart, Mr. Graham
Sutcliffe, Mr. Gerry
Swayne, Mr. Desmond
Swire, Mr. Hugo
Tami, Mark
Tapsell, Sir Peter
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Tredinnick, David
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Andrew
Turner, Mr. Neil
Twigg, Derek
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Vaz, rh Keith
Villiers, Mrs. Theresa
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watkinson, Angela
Watson, Mr. Tom
Whitehead, Dr. Alan
Whittingdale, Mr. John
Wicks, rh Malcolm
Willetts, Mr. David
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilshire, Mr. David
Wilson, Phil
Wilson, Mr. Rob
Wilson, Sammy
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Chris Mole and Steve McCabe

Question accordingly negatived.
Schedules 1 to 6 agreed to.
The Deputy Speaker resumed the Chair.
Bill reported, without amendment.
Bill read the Third time, and passed.

Business without Debate

CORONERS AND JUSTICE BILL (PROGRAMME) (NO. 2)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the Order of 26 January 2009 (Coroners and Justice Bill (Programme)) shall be amended, in paragraph 2, by substituting 'Tuesday 10 March' for 'Thursday 5 March'.—*(Helen Goodman.)*

Question agreed to.

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Alan Haselhurst): With the leave of the House, I shall put the Question on motions 6 and 7 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

EMPLOYMENT TRIBUNALS

That the draft Employment Tribunals Act 1996 (Tribunal Composition) Order 2009, which was laid before this House on 27 January, be approved.

ROAD TRAFFIC

That the draft Road Safety (Financial Penalty Deposit) (Appropriate Amount) Order 2009, which was laid before this House on 26 January, be approved.—*(Helen Goodman.)*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)),

Second Strategic Energy Review and European Energy Networks

That this House takes note of European Union Documents Nos. 15944/08 and ADDS 1 to 4, Commission Communication: Second Strategic Energy Review—An EU energy security and solidarity plan, and 15927/08, Commission Green Paper: Towards a secure, sustainable and competitive European energy network; and further notes the Government's support for appropriate action at the European level, where this would be effective in furthering energy efficiency, security of supply and the development of a liberalised energy market within the Union.—*(Helen Goodman.)*

The Deputy Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 11 March (Standing Order No. 41A).

DELEGATED LEGISLATION

Ordered,

That the Measure passed by the General Synod of the Church of England, entitled Church of England Pensions (Amendment) Measure, which was laid before the House on 23 February, be referred to a Delegated Legislation Committee.

That the Measure passed by the General Synod of the Church of England, entitled Ecclesiastical Offices (Terms of Service) Measure, which was laid before the House on 23 February, be referred to a Delegated Legislation Committee.—*(Helen Goodman.)*

Energy Generation (Food Waste)

Motion made, and Question proposed, That this House do now adjourn.—*(Ms Butler.)*

7.18 pm

Mr. Philip Dunne (Ludlow) (Con): I am extremely grateful for this opportunity to raise an issue of increasing importance for this country, which touches on many aspects of public policy. Energy from food waste raises issues of energy security, waste management policy, climate change, land use, food security and the environment in which we all live. The House will be relieved to learn that I do not intend to cover all those topics in detail this evening, as there is simply not enough time.

I wish to focus my remarks on the case for energy generation from food waste, specifically through the process of anaerobic digestion. I should declare a constituency interest right away. Ludlow is rightly famous for the quality of its food, both from local producers and also through the outstanding Michelin starred restaurants in Ludlow town itself, as well as the many other fine places to eat across the constituency. But Ludlow is also fast becoming known for what we do with the food that we produce but cannot eat—the food left on our plate; food waste—both in our homes and in commercial premises and processors.

Since 2007, such waste has been collected by South Shropshire district council and taken to the Biocycle anaerobic digester on the edge of Ludlow, which is operated by Biogen Greenfinch, where it is turned into biogas, which generates heat and electricity. It is the first of only two such plants operating in this country. It is a fitting legacy for South Shropshire district council, which will sadly disappear on the 31 March, that under a Conservative administration it has pioneered the innovative use of this technology to turn waste into electricity.

Anaerobic digestion and the gases produced by natural decomposition as a process can be traced back to the 16th century. While the first construction of an anaerobic digester was apparently in a leper colony in Bombay in 1859, it was English scientists who developed the technology to generate gas for street lighting in Victorian England. I am afraid that, as a nation, we have lost that early technological lead. One of my criticisms of this Government's supposed enthusiasm for green energy has been the lamentable progress made in recent years in encouraging that technology.

This is a low-tech, low-carbon biological process that happens naturally when bacteria break down organic matter in environments with little or no oxygen. It essentially mimics the workings of a cow's stomach and produces a biogas made up of around 40 per cent. carbon dioxide and 60 per cent. methane—a greenhouse gas, as hon. Members know, that is 21 times more potent than carbon dioxide. It is effectively a controlled and enclosed version of the anaerobic breakdown of organic waste in landfill. It provides an almost ideal methane-mitigation policy, because the methane is captured and has no opportunity to escape into the atmosphere.

Almost any organic material can be processed with anaerobic digestion, including waste paper, cardboard—which is often of too low a grade to recycle, if it has been contaminated by, for example, close proximity to food—grass clippings, leftover food, industrial effluents, sewage and animal waste.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I am pleased to support my hon. Friend, who is my Shropshire neighbour. He has mentioned the various things that can be used in anaerobic digestion. I met the Environment Agency today, which mentioned that slurry is used for those purposes in other European countries. Does my hon. Friend agree—I speak as chairman of the all-party dairy farmers group—that the Government should do more to communicate the potential for putting slurry into those digesters, particularly bearing in mind the difficulties farmers face with nitrates directives?

Mr. Dunne: I am grateful to my hon. Friend and want to put on the record that he does valiant work for the dairy industry through the all-party group. To some extent, he has pre-empted a point that I was going to make, which I will cover now. There is 20 or 30 years' experience of generating energy through heat from slurry in a process of anaerobic digestion—I believe that the first plants were opened in the 1980s. There are only about 20 or so farm slurry plants in operation, of which four are based in Shropshire or the Shropshire borders. An innovative farmer, Mr. Clive Pugh, who lives within four miles of Bishop's Castle in my constituency, persuaded about half a dozen farmers to adopt that technology in the early 1990s. He is now investing in generating capacity to turn that into electricity, as well as heat for his dairy parlour. We are, however, way behind many other European countries in this area.

Mr. Nicholas Soames (Mid-Sussex) (Con): My hon. Friend may not know this, but I was something of a trailblazer in this field when my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) and I invested in an anaerobic facility in Dorset nearly 30 years ago. I am sorry to say that we lost all our money, but there is no doubt that even in those days, the aims and the opportunities were clear. As my hon. Friend has persuasively argued, the science has advanced very quickly, so the opportunities should not be confined to Ludlow, but should be nationwide.

Mr. Dunne: I am grateful to my hon. Friend who, as so often in matters to do with food, was an early mover in this area. I am sorry to hear that his investment was not as fruitful as it might well be if he were able to make it today.

In other European countries, generating energy from farm waste is significantly more advanced. In Germany, there are about 4,000 plants. My hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) asked whether the Government should be doing more. Only as recently as last month, they finally produced a vision for anaerobic digestion, which I am sure the Minister will refer to. Their vision is to encourage by 2020 some 1,000 farms across the country to use anaerobic digestion to deal with farm slurry. I applaud that, although it was not the Government's idea—I cannot claim that it was mine, as it came from the National Farmers Union, which produced exactly that figure in October last year—and welcome its adoption as Government policy.

The process is not quite as efficient for farm slurry as it is for food waste, as the animals, in generating the slurry, consume some of the nutrients that would otherwise be available directly in the food. Some by-products of farm waste, through slurry, are not as nutrient rich for the fertiliser that comes out at the other end, if I may put it that way, whereas food waste has the benefit of providing a nutrient-rich fertiliser, which is another reason why anaerobic digestion is a better use of food waste than incineration, due to the quality of the by-product.

Having touched on the Government's new vision for anaerobic digestion, I should discuss the other aspect, which is that they are looking for 100 commercial plants to use food and other organic materials to generate electricity through anaerobic digestion. They have helped to fund the existing two plants, including the plant in Ludlow. While that is welcome, they have been, to put it generously, slow to recognise the potential of the technology. They have been asleep at the wheel, and I am grateful that they are now catching up to where other parties have reached in seeing the potential of reliable renewable energy from food waste.

Mr. Roger Williams (Brecon and Radnorshire) (LD): Does the hon. Gentleman, who is being extraordinarily generous in giving way, agree that one reason why the technology has not taken off as quickly as it should have done is because of difficulties in planning and, perhaps, certain concerns among neighbours locally as to how they might be affected? Examples of good practice would assuage those fears.

Mr. Dunne: The hon. Gentleman is right to a degree in that whenever the word "waste" is attached to a planning application, there is fear or concern among local populations about what the impact might be on residents. I shall come on to describe what happened in Ludlow, so as to give him and the Government some reassurance that, at the right scale, the process not only becomes relatively straightforward to get through in planning terms, but has few of the associated risks to local residents that people fear from other types of energy generation from waste—in particular, from domestic refuse.

That takes me to a description of what happened in Ludlow. The plant began by combining green waste with food waste. As I have said, green waste can go through the same process, but relatively quickly it became clear that the contamination of waste put into green bins in order for it to be digested is a fraught issue. On a visit to the plant, the manager showed me a concrete block that had been placed in a green bin, and old kettles were also placed in green bins. That is not the stated objective of the green bin, but I am afraid that, until people are much more educated about how to deal with recycling and the separation of waste, such errors will arise, wittingly or unwittingly. Such errors pose a significant problem for the efficient operation of the plant, and it was therefore decided quite quickly to focus purely on food waste. As a result, not only domestic collections but commercial waste were used to obtain the necessary volumes.

The plant in Ludlow is on a 0.2 hectare site, and it is capable of processing 5,000 tonnes a year. The original plan was for the immediate population of Ludlow—nearly 10,000 people—to be able to generate enough green and food waste to serve that processing capacity. However, with the focus solely on food waste, that proved insufficient, so the collection is now being made from neighbouring towns. There are currently 7,000 participating households generating food waste from a weekly collection in separate caddies supplied by the local authority.

The cost of collection is relatively high in the pilot, but the local authority, working with the collection company, Veolia, is considering the possibility of providing a separate collection alongside the existing collection of either green or ordinary domestic waste, which takes place fortnightly in South Shropshire. The great advantage of taking food out of the domestic waste stream is that because of odour and vermin problems, residents become concerned if it is not collected more regularly than every fortnight. That is the main reason for the popular opposition to a fortnightly collection scheme. Putting the waste in a separate container from which it can be collected weekly, along with both green and domestic waste, disposes of the problem and represents a major advantage to residents. Another major advantage is the capture of the odour in the processing building, and specifically in the contained vessel once it is "cooking". The initial odour problems in the plant have been dealt with quite satisfactorily and relatively quickly, although the plant is within 200 m of the nearest house.

Let me return to the point originally made by the hon. Member for Brecon and Radnorshire (Mr. Williams). The planning application was supported on a cross-party basis. Although I made a party political point in saying that the Conservatives introduced the scheme, I concede that it was supported by the Liberal Democrats on the local authority, which ensured that this was not a partisan issue and that residents were not stirred up to object to the application. Residents now accept the scheme as part of the fabric of Ludlow, and, as I have said, are beginning to see the benefits of the weekly food waste collection.

I hope that the Minister will acknowledge the additional benefit that the scheme reduces the number of waste miles. The plant is a prototype, and it could not be replicated across the country on a commercial scale covering 10,000 households. Work needs to be done to determine the most appropriate minimum size, but 30,000 to 50,000 households would probably bring the concept to a commercial level and would be appropriate for most large and medium-sized towns. There would be a significant reduction in both the cost and the environmental damage that would be incurred in the transport of large volumes of waste over large distances to reach the few available landfill sites, which is the current alternative.

Lynne Jones (Birmingham, Selly Oak) (Lab): I strongly support the concept of anaerobic digestion, particularly if it is used to generate heat rather than electricity. In the context of household collection, however, would it not be better to concentrate on commercial food waste and to encourage householders to compost their food waste at home? That is what I do, using the bokashi and Green Cone systems.

Mr. Dunne: There is clearly a case for composting green wastes in households with the necessary space and capacity, such as those fortunate enough to have gardens, but according to information provided by the Waste and Resources Action Programme, some 17 per cent. of all waste is food waste in one form or another, whether it is commercial or domestic. The domestic component is very significant. It will not be possible to persuade everybody to compost, because that is simply not an option for people living in buildings in multiple occupation, for example. There is a place for composting, but we need to look at the whole range of options when trying to generate renewable energy, and this is one significant option that hitherto this country has failed to adopt, for the reasons that I have outlined, and it should be encouraged in the future.

I am coming towards the end of my remarks, as I know the Minister wants to reply and tell us what wonderful things the Government are doing. Before he does so, however, I wish to say that the green energy proposals recently put forward by my colleagues have emphasised that biogas could potentially account for some 50 per cent. of residential gas heating. That is an eminently achievable target, if there is sufficient adoption of the technology across the country. It will require feed-in tariffs and continued use of double renewables obligation certificates, which is the regime that currently applies, but the environmental gains, especially from replacing fossil fuel fertiliser in the agricultural industry, which is a significant generator of greenhouse gases, are enormous. I urge the Minister to do as much as he can to push forward this policy as fast as he can. I would be delighted to welcome him to Ludlow so he can see what we have achieved, as some of his predecessors did.

7.36 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): I congratulate the hon. Member for Ludlow (Mr. Dunne) on drawing this important and timely subject to the House's attention. Although I may at some future date be able to take up his invitation to visit his constituency, I have to say I know it very well from the days when I used to rattle through it, within the speed limits, on my old in-line-four Honda CB550K on my way back and forth from university every weekend. It is a beautiful part of the country, and it is great to hear about this innovation.

The hon. Gentleman has rightly drawn our attention to the Biocycle anaerobic digester plant, and the Government have identified anaerobic digestion as the preferred method of treating food waste in our waste strategy 2007. Before I forget, may I also thank my hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones) for her intervention? There is a place for composting as well, right at the source, but the Government are certainly very much in favour of anaerobic digestion as one of the ways forward.

The financial help provided towards the development of the Biocycle plant is a prime example of our support for the technology. The hon. Gentleman was understandably full of praise for South Shropshire's role, and I agree, but I was surprised that he condemned what he implied was the Labour Government's lamentable record on investment. Department for Environment, Food and Rural Affairs funding covered the costs of the design, build, commissioning and operation of this plant for 8,000 hours, and the original contracted payment was £537,162, and it subsequently increased by £122,158 to give a total of £659,320—and I could go on. Not only in terms of Biocycle but across the board, this Government put significant investment into resources, expertise and money to support such developments.

While this Government support the development of such technology, we must not forget the bigger picture. In the UK, we currently pay for, but do not eat, about

[Huw Irranca-Davies]

£10 billion of food every year; that is equivalent to an astonishing average of £420 of waste per household every year. About 6.7 million tonnes of food is wasted, and that rises to 10 million tonnes if we include the retail and commercial sector. I must say that my parents and our grandparents would be banging the dinner table at us and saying, "Eat your food up!"

This food waste has large environmental and social impacts. Much of the waste currently ends up in landfill sites and degrades to produce dangerous greenhouse gases. Each tonne of food waste that is treated by plants such as the one in the hon. Gentleman's constituency saves a tonne of CO_2 compared with landfilling. I do not think we can, but if we could deal with the problem and all those hundreds of tonnes purely through anaerobic digestion, it would result in the equivalent of removing one in five cars from the road, in terms of 18 million tonnes of CO_2.

Enough of the statistics—what are we doing to tackle this waste? First, the Government's waste strategy, which was published in 2007, put a strong emphasis on waste prevention. The Waste and Resources Action Programme, to which reference has been made, and its partners are running the very good and consumer-facing Love Food Hate Waste campaign, which was launched in November 2007. It involves working closely with the UK grocery sector, the food industry and organisations such as the Food Standards Agency to make it easier for consumers to get the most from the food they buy and to waste less of it. Our target for March 2011 is to reduce the amount of waste food thrown away each year by 250,000 tonnes, and we are currently on track. We have also set ourselves an ambitious quantified target to secure commercial sector reductions at the back of store, and further up the supply chain.

Despite those initiatives, we will inevitably be left with a large amount of food waste requiring treatment, and that is where anaerobic digestion comes in. It is ideal for wet, energy-rich waste food, and it ticks all the boxes environmentally. It can produce 100 per cent. renewable electricity by combustion of the methane captured from the digestion process; heat produced by the process is recycled within the plant and the treated residue—the hon. Gentleman mentioned this—can be returned to the land as a fertiliser; and the whole process reduces greenhouse gas emissions compared with other waste processes. For those reasons, AD was identified in the Government's waste strategy as the preferred method for treating food waste, and it is a key component of our renewable energy strategy, which is to be published in June.

Anaerobic digestion will contribute to the UK's share of the EU's binding target for renewable energy, which is proposed to be 15 per cent. by 2020. It will also help us to achieve the legally binding targets in the Climate Change Act 2008 to reduce UK CO_2 emissions. The Government's initial analysis suggests that the anaerobic digestion of all organic wastes to produce biogas could contribute approximately 10 to 20 TW hours of heat and power by 2020. That represents between 3.8 and 7.5 per cent. of the renewable energy that we estimate will be required by 2020. Food waste could contribute around 30 per cent. of that.

Although we are eager to see a much greater uptake by local authorities and businesses, anaerobic digestion can also provide our farmers with opportunities. It will help them to reduce the methane emissions produced by agriculture—those are running at 37 per cent. of the UK total—and allow them to diversify into the renewable energy field. We should not miss these opportunities. But for the treatment of food waste to develop, waste collections need to change. That is because AD ideally requires a clean stream of organic material and, as the hon. Gentleman said, that is best achieved with separate collection of household food waste. Progress on this is good, but we know that there is more to do. Latest figures show that weekly separate collections of food cover well over 1 million households, in 37 local authority areas. Trials in 2007-08 supported by WRAP showed some encouraging participation rates, with an estimated capture of 62 per cent. of all food waste on average.

Of course, for AD to develop it also needs a market and investors. They need certainty that the demand will be there for AD and its products before investing, so confidence needs to be built in the quality and use of the materials involved in the process. The Government are working hard to drive the increased use of AD forward in several ways. The hon. Gentleman will know of the changes that we have made to the Renewables Obligation Order. The revision of that shows the Government's long-term commitment to renewable electricity and will allow the sector to mature with certainty. Anaerobic digestion is among the technologies that will receive additional support in the form of two renewables obligation certificates per megawatt-hour from 1 April, as a result of changes introduced by the Energy Act 2008.

We know that the residues, or digestates, from AD plants can be used as fertiliser. In order to facilitate market development in that area, the Environment Agency and WRAP have developed a standard and quality protocol. That sets out conditions for digestate production and use. A draft has already been published, and has been notified before the European Commission's technical standards committee. So we are making progress and we recognise the potential of the technology.

The DEFRA-sponsored AD demonstration programme will support exciting projects in different sectors. A total of £10 million will be available from the environmental transformation fund until 31 March 2011. It will seek to fund between three and six projects that demonstrate different benefits of AD, and the Biocycle plant was an earlier example of a similar scheme.

DEFRA also recently published "Anaerobic Digestion—Shared Goals", which the hon. Gentleman mentioned. This outlines a programme of work with a broad range of stakeholders, including agriculture, energy and water utilities, the waste management sector, regulators, and local and regional government. To develop practical ways to increase the use of anaerobic digestion, we are setting up a new anaerobic digestion task group. Its implementation plan, which we hope to have in place later this year, will set out the practical measures that the Government and stakeholders can take to achieve the shared goals.

I am also pleased to say that AD is one of the measures eligible for support under the rural development programme for England 2007-13. It also qualifies for the bioenergy capital grants scheme, which supports the installation of biomass-fuelled heating and combined heat and power projects, including anaerobic digesters.

So progress is undoubtedly being made, but we need to do more. If the Government and all the stakeholders work together, we can succeed with this technology and create a prosperous AD market that benefits society, the environment and businesses.

I thank the hon. Gentleman for raising this important topic and I commend the work that is being done by Biocycle. We want to see more such work, with businesses and farmers taking advantage of this technology. It is a challenge, but it is also an opportunity. I thank the hon. Gentleman and other hon. Members for contributing to what has been a lively and informative debate.

Question put and agreed to.

7.47 pm

House adjourned.

House of Commons

Thursday 5 March 2009

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

MANCHESTER CITY COUNCIL BILL [*LORDS*] AND BOURNEMOUTH BOROUGH COUNCIL BILL [*LORDS*]

Motion made, and Question (15 January) again proposed,

That the promoters of the Manchester City Council Bill [*Lords*] and Bournemouth Borough Council Bill [*Lords*], which were originally introduced in the House of Lords in Session 2006-07 on 21 January 2007, may have leave to proceed with the Bills in the current Session according to the provisions of Standing Order 188B (Revival of bills).—(*The First Deputy Chairman of Ways and Means.*)

Hon. Members: Object.

The debate stood adjourned; to be resumed on Thursday 12 March.

CANTERBURY CITY COUNCIL BILL, LEEDS CITY COUNCIL BILL, NOTTINGHAM CITY COUNCIL BILL AND READING BOROUGH COUNCIL BILL

Motion made, and Question (15 January) again proposed,

That the promoters of the Canterbury City Council Bill, Leeds City Council Bill, Nottingham City Council Bill and Reading Borough Council Bill, which were originally introduced in this House in Session 2007-08 on 22 January 2008, may have leave to proceed with the Bills in the current Session according to the provisions of Standing Order 188B (Revival of bills).—(*The First Deputy Chairman of Ways and Means.*)

Hon. Members: Object.

The debate stood adjourned; be resumed on Thursday 12 March.

Oral Answers to Questions

ENERGY AND CLIMATE CHANGE

The Secretary of State was asked—

LED Lighting

1. **Mr. Philip Hollobone** (Kettering) (Con): What discussions he has had with the Secretary of State for Environment, Food and Rural Affairs on the effect on electricity consumption and carbon dioxide emissions of the installation and use of light-emitting diode lighting. [260721]

The Parliamentary Under-Secretary of State for Energy and Climate Change (Joan Ruddock): Although I have not discussed the issue of LED lighting with the Secretary of State for Environment, Food and Rural Affairs specifically, the Government certainly recognise the potential energy savings that ultra-efficient lighting technologies such as LEDs can offer. We continue to work to stimulate development and take-up, and officials in the two Departments have worked, and will continue to work, together on this issue.

Mr. Hollobone: LED lighting is super-efficient. It uses just 5 per cent. of the wattage of a conventional light bulb; it generates very little heat, which means that it reduces fire risk in applications; and it contains no mercury, which means that it is safer to dispose of. May I urge the Minister to have discussions with the Department for Environment, Food and Rural Affairs on this issue? Will she also advise the House what the low-carbon business innovation unit within her Department is doing to promote this technology?

Joan Ruddock: I thank the hon. Gentleman for his question, and I should tell him how much we agree with him on the huge potential benefits of LED lighting. That is why we have put some LED products on to our energy technology product list and why we have made those specific types of lighting available to benefit from the enhanced capital allowance scheme, which has delivered approximately £550 million in tax relief to those who have purchased products on the Carbon Trust's energy technology list. The potential for the makers and retailers of LEDs is considerable, and I shall pursue the points that he has made. As I have indicated, I am sure that our officials will continue those important discussions.

Dr. Brian Iddon (Bolton, South-East) (Lab): Several years ago, I proposed to the Government, by way of written questions, that a considerable amount of electricity could be saved just by fitting LEDs to all the traffic lights in the country. Will my hon. Friend now look at that proposal as a serious one?

Joan Ruddock: The Department for Transport has been working with lighting manufacturers to look carefully at how to include low-energy traffic lights in its pursuance of a low-energy transport strategy. I am not, of course, able to tell my hon. Friend the extent to which it may have considered LEDs, but I am more than happy to have a discussion on this point with my opposite numbers.

Sir Patrick Cormack (South Staffordshire) (Con): What discussions has the Minister had with organisations representing the blind and partially sighted on the effects of the withdrawal, over a period, of conventional light bulbs?

Joan Ruddock: When I was in my previous post in DEFRA, I had a number of discussions with such representatives, who quite properly came to me to express concern about the phase-out. I contacted my colleagues in the Department of Health, we then specifically organised meetings with those who represented the blind and partially sighted and we referred the matter to the European Commission because, of course, this is ultimately the subject of a European directive, although we are in advance of it in this country. The European Commission has undertaken research and has found that the use of

double-envelope compact fluorescent lamps—CFLs—which look like traditional light bulbs, can largely or entirely mitigate the risk of aggravating the symptoms of too light-sensitive individuals. Other forms of lighting are available, remain on the market and are entirely safe, and, as I have said, double-envelope bulbs should not give problems to those who may be light sensitive.

Renewable Energy Generation

2. **James Duddridge** (Rochford and Southend, East) (Con): What progress has been made towards the Government's targets for renewable energy generation by 2020; and if he will make a statement. [260722]

The Secretary of State for Energy and Climate Change (Edward Miliband): In December 2007, 5 per cent. of the UK's electricity and about 2 per cent. of its energy came from renewable sources. We are taking steps to increase this through better grid access, reforms to planning legislation, the banding of the renewables obligation and a range of other measures as part of the drive towards having 15 per cent. renewable energy. However, no sector is immune from the credit crunch, and we are also urgently looking at how measures such as the working capital scheme can help the renewables sector and whether further measures are necessary.

James Duddridge: The Secretary of State mentioned the lack of credit, but we must also consider the rising turbine costs, which are causing many utility companies to question the validity of offshore wind farms. I am concerned, in particular, about the London Array project in the Thames Gateway, so what more can he do to make sure that that scheme goes ahead, despite Shell's withdrawal? That scheme, on its own, will contribute 10 per cent. of the Government's commitments.

Edward Miliband: The hon. Gentleman raises an important issue about London Array. We have recently overtaken Denmark as the world leader in offshore wind, despite the difficulties that he mentions. We are pleased that Masdar has said that it will invest in the London Array project, and we are keeping closely in touch with investors on issues such as the cost of turbines and the exchange rate. We agree that we need to ensure that the project goes ahead.

Mr. Dennis Skinner (Bolsover) (Lab): Does the Minister agree that these targets would be less important if it were not for the fact that, after the miners went on strike 25 years ago—in an honourable dispute that was not for money to fill their own pockets, but to ensure that pits remained open—150 pits and the clean coal plant at Grimethorpe were closed before the Tories left office? The targets we are talking about today would be a lot closer if that had not happened. Is it not a scandal that our legacy on energy is that we are in hock to countries that we cannot even trust?

Edward Miliband: My hon. Friend makes his point very eloquently. He is right that this country's energy policy has been beset by short-termism. He is right about clean fossil fuels, carbon capture and storage and coal being part of the energy mix. That is why this Government are determined to ensure that we drive the market towards carbon capture and storage, and make clean coal part of the energy mix in the years ahead.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): What proportion of the cost of household and industrial electricity bills is required to meet the cost of subsidising our renewable energy commitment?

Edward Miliband: It is different for electricity and for gas, but it ranges between 2 and 14 per cent. of the total, depending on how it is calculated. I profoundly disagree with the right hon. Gentleman on this issue, because there is no low-cost, high-carbon future for this country. Demand from India and China will drive up the price of oil and gas, and we cannot assume that $40 a barrel today will be a permanent price for oil. That is why it is right to plan for and move towards a low-carbon future. The danger of the right hon. Gentleman's approach is—as I said in reply to my hon. Friend the Member for Bolsover (Mr. Skinner)—that it is a recipe for short-termism, and we will end up in the same situation as a year ago, with high oil prices and without the indigenous sources of fuel that we need.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): Yesterday, I was fortunate enough to attend the launch of a report on renewable energy, and one of the points made by the industry people at the launch was that there are still problems obtaining consents for renewable energy in rural areas, where—without making a political point—Labour is not the dominant party. Does my right hon. Friend accept that we have to do something about the way in which, especially in rural areas, valuable renewable energy projects are too often delayed by the obstructionism of unsympathetic local authorities?

Edward Miliband: My hon. Friend makes an important point. Those who say that they are in favour of renewable energy should practise what they preach. In a way, we should be grateful to the hon. Member for Wealden (Charles Hendry) who said:

"I think frankly you will find different views among colleagues—colleagues are more divided on onshore wind than nuclear power."

That speaks to an important question: if we are in favour of renewable energy, we should make sure that it happens throughout the country, including at local authority level.

Mr. Mike Weir (Angus) (SNP): Yesterday, the electricity network strategy group published an interesting report on the substantial investment needed to strengthen the grid to transport renewable energy, especially from the north of Scotland. What action is he taking to deal with the perennial problem of transmission charges, to ensure that we get the benefit of renewables?

Edward Miliband: The hon. Gentleman raises two separate issues. I took powers in the Energy Act 2008 that are available if Ofgem and the national grid fail to sort out the connection to the grid. We hope that they will make an offer on 450 MW, which would come from connecting various projects to the grid. The report that he mentions is an important contribution to how we set up the system of regulation to ensure that we have the smart grid that we need.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my hon. Friend agree that energy from waste is a proven technology that can deliver a great deal for our country? Is he aware that he must have the courage to face up to cowardly local authorities that will not make decisions? Planning stops everything, and PFI, at the moment, is stopping everything. Will he be courageous and lead so that we can have some energy from waste and can make a good resource more valuable?

Edward Miliband: I agree with my hon. Friend, and I hope that I will live up to his recommendation to be courageous. In the civil service, that is not always a compliment, but I think that my hon. Friend is right to say that one should be courageous on these issues. Energy from waste can play an important part in the energy mix. Waste that would not otherwise be used for good purposes can be used to heat our homes and to make a real difference to our energy needs. I agree that this needs to be pursued urgently.

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): At a recent planning appeal in my constituency, the Government inspector overturned a decision by the local planning authority to reject a single wind turbine application. Given that Fenland district council has one of the best records for wind farm development in the whole country, where does that leave local democracy and the wishes of local people?

Edward Miliband: I cannot comment on the individual case, because I do not know the details. However, let me say more generally to the hon. Gentleman that I think that all of us in this House who believe in renewable energy and who believe in the part that renewable energy can play have a responsibility to do all we can to encourage wind farms—[HON. MEMBERS: "Waste of time."] Some Opposition Members say that they are a waste of time, but I profoundly disagree. To be completely honest, I am afraid that that attitude will get us nowhere. If we preach renewable energy at a national level, we need to encourage it at a local level.

Natascha Engel (North-East Derbyshire) (Lab): My right hon. Friend has just recognised that there is a big difference between the setting of renewable energy targets nationally, which everybody supports, and their implementation locally. I live in Derbyshire, which is very rural but is Labour from the constituency down to the local authority. We have a gasification unit and a wind farm is now in the planning system. Will my right hon. Friend consider what they do in France, which is to have a 2 km buffer zone around any such projects, which goes from the site to the nearest residences? To please the Opposition, we could perhaps have a 2 mile buffer zone.

Edward Miliband: I will definitely consider my hon. Friend's proposal. It is right to understand the concerns of local residents about these issues, but I think that in 10, 20 or 30 years, people will look back on this debate as they do on the debate about electricity pylons, when people asked how we could possibly have those things that disfigured the countryside. I am afraid to say that this is a cultural change that needs to happen. We need to be sensitive and to understand that local communities need to benefit from wind turbines in their area. That is very important and some of the more progressive-thinking companies understand that, but we do need to move forward with it.

Simon Hughes (North Southwark and Bermondsey) (LD): If we are to have the secure energy future that the Government want and to meet the climate change targets that the Government have set out, as well as having a future for coal with carbon capture and storage, does the Secretary of State accept that we need a renewables energy industry in which investors can feel real confidence that they will be able to find the billions of pounds that yesterday's report said we needed? That needs the Secretary of State to co-ordinate with the Treasury and those responsible for planning so that everybody seeks to deliver that goal, which has to be at the front and the centre of the Government's energy policy for the future.

Edward Miliband: I agree. Let me take the opportunity to welcome the hon. Gentleman to the Front Bench, as this is our first interchange at Question Time. He brings a wealth of experience and knowledge on these issues.

I agree that co-ordination is necessary. We passed the Planning Act 2008 to encourage the speeding-up of renewable technology and renewable energy projects and we moved on the feed-in tariff, about which I know the hon. Gentleman is rightly enthusiastic. The credit crunch is also a concern, and I have recently returned from the United States, which faces the same issues. No sector can be immune from that. It is an added complication to the issues that we face, and that is why we are urgently considering how existing schemes, such as the working capital scheme, can be used by small and medium-sized companies and why we are also considering whether other measures are necessary.

Gregory Barker (Bexhill and Battle) (Con): Yesterday, the Prime Minister told the American Congress that only by tackling climate change could we create the millions of new green jobs that we need. Yet back in the real world here not only are we flagging in our efforts to meet our 2020 renewables targets, but E.ON UK has been quoted as saying that the economics of the London Array project are on a knife edge. In addition, UBS is predicting a 20 per cent. decline in investment in new wind capacity this year, and Siemens has seen a 28 per cent. year-on-year decline in renewables orders. However, instead of seeing them drive real job-creating change now, all that we see from this exhausted Government is the same old dither and delay. So will the Secretary of State say how many new green jobs his climate change and renewables policies will create this year?

Edward Miliband: Thousands of green jobs will be created. The attitude displayed by the hon. Gentleman, who knows that Conservative councils throughout the country oppose renewable energy and wind turbines, does not speak well for him. I have said that no sector is immune from the credit crunch, which poses added difficulties. I have also said that we are looking at what we can do, but the point that I would gently make to him is that the Government are acting on the credit crunch, whereas all we hear from the Opposition is "do nothing." The £20 billion working capital scheme is precisely designed to get finance to the companies that need it. Instead of carping from the sidelines, he should support the measures that the Government are taking on recapitalising the banks and encouraging lending.

Gas Storage

3. **Mrs. Ann Cryer** (Keighley) (Lab): What assessment he has made of the adequacy of the UK's gas storage capacity; and if he will make a statement. [260723]

The Minister of State, Department of Energy and Climate Change (Mr. Mike O'Brien): As North sea production declines over the coming decades, we will import more gas. That means that, for energy security reasons, we will need significantly to increase our storage capacity. National Grid's recent "Ten Year Statement" identifies 17 commercial gas storage projects in various stages of development, and another was announced last week. If all those projects go ahead, the UK's gas storage capacity could increase to some 20 per cent. of current annual demand levels by around 2020.

Mrs. Cryer: I am sure that my hon. and learned Friend is well aware that Centrica has announced one of the biggest gas storage projects in the UK. Given the present economic situation, is my hon. and learned Friend confident that such a massive project, which will require equally massive amounts of funding, is going to go ahead?

Mr. O'Brien: Yes, I am confident that we will get a number of these investments going ahead. Storage projects are major, long-term strategic investments for companies, and decisions about them are never taken lightly. The very fact that Centrica is seeking to bring forward that £1.2 billion project demonstrates that, although current economic conditions are, of course difficult, investors are taking that strategic view of the market. As I said, there are 17 other projects at varying stages of development. Gas suppliers have a legal obligation to supply gas daily, and the new storage capacities will enable them to have some insurance for that. We cannot be complacent: apart from the steps that we have already taken to ensure a supportive consenting regime for projects, we have also been working with the European Investment Bank and the gas storage industry to ensure that, if projects experience difficulty raising finance, the people behind them are aware of the facilities available at the EIB.

Mr. Mark Harper (Forest of Dean) (Con): Mine is a largely rural constituency, and many of my constituents are not able to be connected to the mains gas network and have to use LPG instead. Will the Minister explain how the improvements in gas storage capacity will benefit those of my constituents who are not connected to the mains network?

Mr. O'Brien: To those who are not connected to gas, gas storage will be of limited benefit. We need to make sure that we create gas links that enable people to get on to gas. Across the country, and certainly in my area, communities are coming together, and local authorities have co-ordinated applications by communities to get connected to gas. That has worked very successfully. A number of companies are prepared to work with local authorities to do that. As for the hon. Gentleman's area, I recommend that he talk to his local authority and the companies, and get some of those projects going.

Mr. Elliot Morley (Scunthorpe) (Lab): My hon. and learned Friend will be aware that there is a real need for increased gas storage, not least because when prices were very high due to problems with Russian supply in Europe, gas from the Norwegian gas fields came straight into the UK and into the European market. An interconnector can be a good thing, but there has to be a genuine two-way process. Is he convinced that the European market is properly liberalised, and does not have protectionism, so that when we want to import gas from Europe, we can do so?

Mr. O'Brien: The straight answer is no, I am not convinced that we yet have a European market that is properly liberalised, but the European Commission is responding to concerns that the Government have repeatedly raised with it about the fact that we need change in Europe. We strongly support, and indeed have been a motivating force for, the work that is going on in the Commission to move forward EU energy liberalisation. There is a lot of work to do on the issue, but let me add that, as my right hon. Friend indicates, the issue is not just about gas storage. Companies have delivered a 400 per cent. increase in Britain's import capacity over the past 10 years. Pipelines including the interconnector, which he mentioned, have been expanded. There are new pipelines, such as the Langeled from Norway and the Balgzand-Bacton line from the Netherlands. The capacity for liquefied natural gas from the Isle of Grain has tripled to 9.8 million tonnes per annum. Britain's gas import capacity is equivalent to 120 per cent. of our annual gas consumption.

Greg Clark (Tunbridge Wells) (Con): On 20 February this year—two weeks ago—Britain hit a new low, with just four days-worth of gas in storage in the reserve. Does the Minister consider that an acceptable margin for safety?

Mr. O'Brien: It is not about how many days worth of gas there are. The amount of gas in storage at a given point cannot meaningfully be assessed in terms of days. Stored gas is not used on its own to meet UK demand in any way. North sea gas reserves put the UK in a position unlike that of other countries. Yes, we need gas storage, and we will need to increase the amount of storage as our imports increase, but we still have a substantial amount of gas coming from the North sea. That means that we do not need quite the amount of storage capacity that other countries do, although we will need to improve gas storage capacity in future as North sea gas depletes and imports rise.

Greg Clark: That is a remarkably complacent answer, because every country in the world is content to denote their storage in days—apart from Britain, apparently. For the second time in only four winters, we almost ran out of gas, and almost did not have sufficient gas to meet demand. According to a written answer that the Minister gave me only this morning, only the depressed state of the economy, due to the recession, saved us from running out. Even the official regulator thinks that we do not have enough storage. In the Energy and Climate Change Committee, my hon. Friend the Member for Bromsgrove (Miss Kirkbride) asked the regulator whether he thought that enough storage was being planned, and he said:

"I am not happy to talk about this...we were hoping"—

that storage would have doubled in the past five years—

"and we have barely moved."

Given that record, do we have to hope that this Government run out of time before Britain runs out of gas?

Mr. O'Brien: That is a stunning statement the week after Centrica announced a £1.2 billion proposal to create the second-biggest gas storage facility at the old gasfield in Baird in the North sea. We hope that that will come on stream from 2013. There are 17 other projects, too. That is one of the main areas for us, and the Government are setting out their priority of bringing gas storage on board. Let me be clear. The hon. Gentleman's claims that we were suddenly about to run out of gas take no account of the fact that the Norwegian gas fields were pumping vast amounts of imports into the country. We were therefore able to manage successfully and capably the issues that arose as a result of the recent cold snap and the Russia-Ukraine dispute.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): Is my hon. and learned Friend aware that just two years ago a proposal to develop a massive underground gas storage facility at Preesall just outside my constituency was overwhelmingly rejected by all the local people, both local councils, both local MPs, the planning inspector and, indeed, the Government, because of major concerns about the safety of the local population? I cannot ask my hon. and learned Friend to comment on the revised proposal that has been submitted, but will he assure me that the safety and security of our gas supply is not put ahead of the safety and security of our people?

Mr. O'Brien: These issues always need to be looked at in the round, to ensure that all the factors that need to be taken into account are taken into account. I am sure that that will happen as part of the process of assessing any application. It is always essential to ensure that communities are safe, but it is also important that as a country, for the protection of our energy security and our energy supply, we have sufficient gas storage. That is why the Government have made it one of their key priorities to bring on gas storage capacity in this country.

4. **Stephen Hammond** (Wimbledon) (Con): What recent estimate he has made of the volume of gas stored in the UK. [260724]

The Minister of State, Department of Energy and Climate Change (Mr. Mike O'Brien): Last week saw increases in the amount of gas storage volume. As at 3 March 2009, the total volume of gas storage stocks in the UK was more than 1.2 billion cu m. The UK's total gas storage capacity is approximately 4.4 billion cu m. At this stage of the winter that is what we would expect—after all, gas storage is there to be used.

Stephen Hammond: Notwithstanding the Minister's synthetic anger in response to the question from my hon. Friend the Member for Tunbridge Wells (Greg Clark), and as the rest of the world measures gas storage in days and the UK, at last measure, had 15 days, as against more than 100 for France and Germany, will the Minister agree to make regular statements to the House about the number of days of gas storage this country has?

Mr. O'Brien: The hon. Gentleman does not need me to make statements. If he goes to the National Grid website, he can find out every day. Let me be clear. Let us look at the country that people normally use in order to say, "Look, they have far more gas storage than the UK has." The country is Germany, which has about 25 per cent. of its imports covered by gas storage. The UK has about 25 per cent. of its imports covered by gas storage. We are covering ourselves adequately at present in terms of gas storage. As we increase the amount of gas imports, we will need to increase the amount of gas storage. That is why the Government are making it a priority, why we have encouraged companies to bring forward projects, and why they are bringing forward eight projects, including the very important one announced by Centrica last week.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): The volume of gas that we have stored is bound to impact on domestic gas bills, but may I tell my hon. and learned Friend another reason for the increase in domestic gas bills? It happens when the units of gas in underestimated bills are aggregated in a catch-up bill and charged at the tariff that applies at the time of the catch-up bill. That results, of course, in an increased gas bill. Not many people know that the companies will recalculate, if requested. Does my hon. and learned Friend agree that when a catch-up bill is sent, there should be a note informing the consumer that they can ask for a recalculation?

Mr. O'Brien: My hon. Friend raises an important point. It is, I hope, one of the issues that Ofgem will consider as part of its overall review of energy companies' bills. Ofgem has expressed concerns about some of the ways in which billing has taken place, and I will make sure that my hon. Friend's point is drawn to Ofgem's attention.

Home Energy Efficiency

5. **Lyn Brown** (West Ham) (Lab): What recent discussions he has had with ministerial colleagues on improving the energy efficiency of houses by 2020; and if he will make a statement. [260725]

The Secretary of State for Energy and Climate Change (Edward Miliband): Department of Energy and Climate Change Ministers have had regular discussions with ministerial colleagues on improving the energy efficiency of households, particularly through the development of our heat and energy-saving strategy published last month. With measures to provide low-cost energy audits, insulation through a new pay-as-you-save scheme, and incentives for renewable heat, we aim to build on the 5 million households insulated since 2002, provide whole-house energy efficiency for 7 million more households by 2020, and make it available for all households by 2030.

Lyn Brown: I thank my right hon. Friend for that answer. It is true, is it not, that many of the homes that are standing today will be standing in 2020? Many of those homes are not energy-efficient. What real progress is being made to ensure that our families are saving money and that we can have a positive impact on climate change?

Edward Miliband: My hon. Friend makes a very important point. The carbon emissions reduction target, or CERT, the Prime Minister's announcements last September and the Warm Front scheme are making a big difference. I mentioned that 5 million households had been insulated since 2002, but there is a lot more that we need to do. We also need, over the coming years, to move towards a much more house-by-house, street-by-street approach. I do not recall this in detail, but the transition to North sea gas is perhaps the right model to think about—every house was visited and switched over. We need the same approach in relation to energy efficiency, because that can make a huge difference to families' bills and to carbon emissions.

Charles Hendry (Wealden) (Con): The Prime Minister talks about new green jobs, but is not the reality far removed from his rhetoric? In September, he said that 6 million homes would be insulated in the next three years, but industry says that that figure will now be just 4 million; the Government said that 1 million homes would have cavity wall insulation in the current financial year, but the real figure is fewer than 600,000; and instead of 150,000 new green jobs in this crucial area, manufacturers of energy conservation materials are cutting their output and putting their workers on short time. Will the Secretary of State accept our proposals, endorsed by the Energy Saving Trust, to offer every household a comprehensive range of energy-efficient measures, with the cost recouped over time through their bills? It works in the States, so why not here?

Edward Miliband: This proposal is very interesting, because it was announced and spun with great fanfare by the Opposition, who said that every household would get £6,500 to spend on energy efficiency. When further inquiries were made, it turned out that 1 per cent. of households would be offered £6,000. As to the hon. Gentleman's point about the Prime Minister's announcements last September, let me give him the figures. In the third quarter of this year, 183,000 households were given cavity wall insulation under CERT and 158,000 households were given loft insulation under CERT, compared with figures in the second quarter of 67,000 for cavity wall insulation and 98,000 for loft insulation. I consider that real improvement and real help now for Britain's families.

Topical Questions

T1. [260741] **Andrew George** (St. Ives) (LD): If he will make a statement on his departmental responsibilities.

The Secretary of State for Energy and Climate Change (Edward Miliband): One of my Department's key responsibilities is to work with others towards an international agreement on climate change. This morning, I returned from talks in the United States with representatives of the new Administration, as well as Members of the House and Senate. It was clear from my discussions that there is an important shared agenda with the new Administration for a greening of the economy and for a global deal on climate change in December, with the maximum ambition in that agreement based on the scientific evidence on climate change. I look forward to working with President Obama's team in the period ahead, and I believe that all Members of this House will welcome the fact that we can now genuinely say that there is US leadership on climate change.

Andrew George: Of course, we look forward to that.

What can Ministers do about a problem experienced by low-income households in my constituency when seeking the benefit of the laudable Warm Front scheme, which is caused by the way in which contractors are selected? The benefit of the grant available is often more than negated by the monopoly situation in which those contractors find themselves and the extortionate charges that are levied for the schemes.

Edward Miliband: The hon. Gentleman raises an important point about getting maximum value for money under the Warm Front scheme. Let me deal with his question in two parts. First, the maximum grant under Warm Front—we discussed this with the Select Committee last week—has not been increased for a number of years. We want to increase it and we will make proposals shortly. On the wider question of value for money and Warm Front, the studies that we have seen suggest that contractors' rates are reasonable when compared with others. However, we continue to monitor that. We want more value for money from the Warm Front scheme, and we are determined to ensure that we get it.

T3. [260743] **David Taylor** (North-West Leicestershire) (Lab/Co-op): Yesterday, at the Geneva car show, the International Transport Forum, which includes the United Nations, set a target for the global auto industry and Governments of halving emissions from cars by 2050. Are the Government in discussion with that consortium, and when can we start on this initiative, which could be integrated with financial support for a car industry that is having problems at the moment?

The Minister of State, Department of Energy and Climate Change (Mr. Mike O'Brien): As my hon. Friend is aware, the recent announcements made by the Department for Business, Enterprise and Regulatory Reform and the noble Lord Mandelson mean that we are bringing forward funds to help particularly innovative new areas of vehicle energy use, so that we can ensure that we as a country are at the forefront of this research. I cannot say whether this consortium is in discussions with the Department, but I will make inquiries and let my hon. Friend know.

T2. [260742] **Sir Robert Smith** (West Aberdeenshire and Kincardine) (LD): I must remind the House of my entries in the Register of Members' Interests to do with the oil and gas industry. Phase 3 of the emissions trading scheme, which is coming from the European Union, will penalise modern, all-electric offshore production, as compared with old-fashioned mechanical production. Will the Minister work with the industry to ensure that the vital global investment that the North sea needs is not driven abroad, and that we do not lose any more jobs from the North sea?

Mr. O'Brien: I certainly want to work with the industry, as do the Government as a whole, to ensure that we maintain the jobs that we have in the North sea. We are seeing some areas of decline in production, but there is still a lot of interest in oil and gas in the North sea. We have prospects of offshore wind generation and onshore wind generation—certainly in Scotland—so there are prospects for significant expansions of our energy production, and we want to ensure that that happens. We want to work closely during the present difficult economic period to ensure that jobs are protected in so far as they can be.

Mr. David Chaytor (Bury, North) (Lab): What assessment has the Secretary of State made about the possibility of new nuclear build following the banking crisis? Given that banks are reluctant to provide mortgages for people to buy one-bedroom flats, does he think it likely that anyone will offer the finance to construct a new nuclear power station in the immediate future? Will he continue to resist the arguments of those who want to rig the carbon market to provide a hidden subsidy for new nuclear?

Edward Miliband: My hon. Friend raises an important point. The larger companies—we have three consortiums that want to build new nuclear—have been less affected by the credit crunch, as far as we can tell. That is not to say that it does not have any effect, but it has had less of an effect on those companies. My sense is that they will still come forward with their plans for new nuclear—we have heard no views otherwise.

My hon. Friend is also right on the question of subsidies. We have said that we are not going to subsidise new nuclear. We are breaking down the barriers to new nuclear in a number of different ways, but I do not think that it is right to subsidise it. It is also right to ensure—as we did in the Energy Act 2008—that waste costs are paid by the companies. New nuclear needs to be part of the energy mix and the plans will be taken forward.

Miss Julie Kirkbride (Bromsgrove) (Con): Further to the exchanges on gas storage, the Minister will be aware that there is limited geological scope for gas storage in the UK. How confident is he, in the light of the question asked by the hon. Member for Blackpool, North and Fleetwood (Mrs. Humble), that the planning process will deliver all the gas storage sites, bearing in mind that the industry does not think that we have enough even if they all go ahead?

Mr. Mike O'Brien: The hon. Lady will be aware that since the Planning Act 2008 became law last October, changes have been made to the planning process, particularly in relation to large gas storage projects. I am confident that some gas storage projects will go ahead, but that process needs to take place with a proper reflection on the ability of local people to voice their concerns and to say what problems might arise. We want reasoned and proper decisions to be made about all gas storage projects so that we get the gas storage we need, and we get it in the right place.

Lynne Jones (Birmingham, Selly Oak) (Lab): Ministers will be aware that millions of households living in fuel poverty also live in homes that have poor energy efficiency. Yet even with the recent increase, the Warm Front programme is spending only £380 million a year. Seven times that amount is being spent on the winter fuel allowance—£2.7 billion this year—yet that takes only 100,000 people out of fuel poverty. Will Ministers have urgent discussions with the Chancellor of the Exchequer in advance of the Budget to see how that largesse can be better focused?

The Parliamentary Under-Secretary of State for Energy and Climate Change (Joan Ruddock): *rose—*

Mr. Speaker: Order. We have to be brief in topical questions. We must have brief questions.

Mr. Mark Harper (Forest of Dean) (Con): And brief answers.

Joan Ruddock: The brief answer is that of course we are always in discussions with the Treasury, and as I have indicated already, because of the economic situation, the high fuel prices that have occurred and the need to move forward with our renewables obligations, we will have to examine our fuel strategy in the broadest sense. That is under way already, and I am pleased to tell my hon. Friend that we will have cause to take account of what she has said.

T4. [260745] **Mr. Henry Bellingham** (North-West Norfolk) (Con): Both the Secretary of State and the Minister of State have said a great deal about the security of gas supplies. Does the Minister accept that Bacton gas interconnector terminal is an absolutely crucial part of our gas infrastructure? What discussions has he had with the Home Office about ensuring that there is proper funding for the maintenance of security at the terminal?

Mr. Mike O'Brien: The hon. Gentleman is quite right that Bacton is enormously important. Although we have not had discussions directly with the Home Office on that particular point, I have talked to the civil nuclear police authority and others to ensure that we are considering all the security issues at some of our major energy installations. I do not believe that this is the right place to discuss the details, but I am happy to meet the hon. Gentleman and talk about any concerns that he has about security. It is likely that if he has them, we ought to have them too.

T5. [260746] **Ann Winterton** (Congleton) (Con): Energy demand is rising exponentially, which makes the issue of energy security even more important. New nuclear generation will play an important role in that. What discussions has the Minister had with colleagues in the Department for Business, Enterprise and Regulatory Reform to ensure that we have enough technical and engineering expertise for this country to play its part in the building of new nuclear generation facilities? Although the Prime Minister cannot in fact promise British jobs for British workers, because of European Union legislation, will the Government take a page from some other countries' book and ensure that that happens by the back door?

Mr. Mike O'Brien: Bringing on the skills that we need for the nuclear industry is enormously important. We know that we have an ageing work force in the nuclear industry at the moment, because for 20 years we were not building sufficient capacity. The hon. Lady is quite right about that. We have created the national skills academy for nuclear, built up Cogent and got the industry together to invest both in developing skills and, through

Government and private sector funding, in university courses to build up the intellectual base that we need and ensure that we can not only expand nuclear in the UK but benefit from the worldwide expansion that is taking place.

T6. [260747] **Sir Nicholas Winterton** (Macclesfield) (Con): Earlier this year, wholesale energy prices dropped dramatically, yet the British consumer continued to pay record high prices for energy. Her Majesty's Opposition believe that the Competition Commission should conduct an urgent investigation into the relationship between wholesale and retail prices. Do the Government agree, and will they ensure that such a review is undertaken?

Edward Miliband: It is good to reply to another Member who has a family connection in the House.

On energy prices, I do not think that at this stage a referral to the Competition Commission is the right way to go, because it would not be brief and quick. It would take a long time. That is the experience of referrals to the Competition Commission. I believe that the better way to go is what we are doing, which is pressing the energy companies to reduce their prices and pass on the price cuts, and introducing more transparency through the work of Ofgem, which published its first quarterly report on the connection between wholesale and retail prices earlier this month.

The hon. Gentleman's general point that we need price cuts to be passed on to consumers is completely right. That needs a combination of tough regulation, consumer associations making their voice clear and the Government doing the same. That is what we intend to do.

T7. [260748] **Mr. Peter Lilley** (Hitchin and Harpenden) (Con): Given that the Government say that we should accept the economics and science of the intergovernmental panel on climate change because they have been peer reviewed, and given that the methodology used by Sir Nicholas Stern has been repudiated by his own economists when producing the impact assessment on the Climate Change Bill, will the Secretary of State submit the Stern review to peer review?

Joan Ruddock: That is not at all our intention. The Stern review has been widely reviewed around the world, it is doing an extremely good job and it has been very well considered. I can tell the right hon. Gentleman, however, that we intend to produce a new impact assessment to the Climate Change Act 2008. I know that that matter is important to him, and that he has raised queries about it. We now know that there are things that have come to light since the Bill was originally drafted. The benefits of the previous impact assessment were valued using the shadow carbon price, and that is currently under review. We are also likely to find that the costs, which covered a very large range, were exaggerated at the time because they assumed no technological progress beyond 2010, and that the potential for international trading to reduce the cost of avoiding dangerous climate change was not taken into account. So that is good news for the right hon. Gentleman, and the assessment will be published on Monday.

Leader of the House

The Leader of the House was asked—

Procedure Committee

1. **Sir Nicholas Winterton** (Macclesfield) (Con): If she will bring forward proposals for amendments to Standing Orders to incorporate the remit of the Modernisation of the House of Commons Committee within that of the Procedure Committee and to stipulate that the Procedure Committee shall be chaired by a Back Bench. [260749]

The Deputy Leader of the House of Commons (Chris Bryant): The Modernisation Committee has made a number of recommendations in the past, on which the House has been delighted to act. The Committee has yet to complete its inquiry into recall and dissolution, but once that work is complete, I will give further consideration to the best way to take forward the modernisation of the House.

Sir Nicholas Winterton: Does not the Deputy Leader of the House accept that changes to the processes and procedures of the House are best devised and put forward by Back Benchers of the House, and not by a Committee led by a Cabinet Minister? Does he not believe that the changes would carry more weight and have more support right across the House if the Modernisation Committee were merged with the Procedure Committee, and if the Procedure Committee, with those new functions, were chaired by a Back Bencher—preferably an Opposition Back Bencher?

Chris Bryant: It certainly is the Winterton show today, and it is a delight to be asked a question by the hon. Gentleman, who is the longest-standing member of the Modernisation Committee. If that does not show that the House has a sense of irony, I do not know what does. I do not entirely agree with him, however. This Government were elected on the prospectus of being able to deliver modernisation of the House, which is why we set up the Committee in the first place. Once the Committee has completed this last issue, the Leader of the House and I will look at ways of bringing forward further measures on modernisation. I agree with the hon. Gentleman on one issue, however. The work of Select Committees should, on the whole, be the embodiment of Back-Bench opinion.

Sir Patrick Cormack (South Staffordshire) (Con): What possible remaining justification is there for having a Cabinet Minister chairing a Select Committee of this House?

Chris Bryant: As I just said, the whole idea of creating the Modernisation Committee in the first place was to take forward the agenda that this Government were elected by the people to deliver. Part of that involved modernising the House. The Modernisation Committee has brought forward many proposals that have benefited Back Benchers, not least the introduction of topical questions, which I note were extremely popular just now.

Sir George Young (North-West Hampshire) (Con): But was not the absurdity of the current position emphasised when, in November, the Leader of the House wrote:

"The Government welcomes the report from the Modernisation Committee on Regional Accountability"?

As she had written the report from the Modernisation Committee on regional accountability, was it surprising that she welcomed it? If the Prime Minister means what he says about strengthening Parliament, should not the Government release their stranglehold on the Modernisation Committee by giving up the chairmanship and restoring it to the role of a Back Bencher?

Chris Bryant: I think that I have now heard three bids for the chairmanship of that Committee, but I have to say that none of them is from the most modernising Members of the House. I am not at all surprised that my right hon. and learned Friend the Leader of the House agreed with a report that she had written—she is always entirely consistent in these matters. On the right hon. Gentleman's point about Back Benchers and Select Committees, I would throw back to him the fact that the Procedure Committee has done significant and important work; I am appearing before it next week on the matter of written parliamentary questions, and I know that when that report comes forward, it will contain interesting material for the whole House to digest.

"The Governance of Britain"

2. **Mr. Graham Allen** (Nottingham, North) (Lab): What progress has been made on those proposals in "The Governance of Britain" Green Paper for which she is responsible. [260751]

The Deputy Leader of the House of Commons (Chris Bryant): The House has agreed proposals for regional Select Committees and Grand Committees, which were among the issues raised in "The Governance of Britain" Green Paper. In addition, we have today published detailed plans for strengthening Parliament's role in scrutinising Government expenditure, aligning budgets, estimates and accounts.

Mr. Allen: Does my hon. Friend agree that it is a truism that the longer Governments are in power, the more comfortable they become with the subordination of Parliament? Does he also agree that, if that is the case, we have only a small window of opportunity for genuine democratic reform when there is a change of Government, as there was in 1997? Will he reassure us that the Government have not run out of steam on democratic reform in the United Kingdom?

Chris Bryant: My hon. Friend, with whom I have waged many campaigns from the Back Benches, is an ardent supporter of the independence of this House and the significant role it must play in holding the Government to account. As I have just said, we have published another command paper today on the question of how better to align estimates and budgets so that the House can do a better job of looking at expenditure. I do not think that this Government have run out of steam on modernising this House or on ensuring that we have a constitution that is fit for purpose.

Mr. Mark Harper (Forest of Dean) (Con): The Deputy Leader of the House mentioned regional Select Committees as something to be proud of, but the Government not pushing them through when there is no consensus in the House and the appointments to those Committees consist only of Labour MPs at a cost of more than £1 million of taxpayers' money? Does that not make a mockery of modernisation, demonstrating, as the hon. Member for Nottingham, North (Mr. Allen) said, that the sooner we get a change of Government to restore the powers of this House, the better?

Chris Bryant: The hon. Gentleman has lost this debate on three occasions and he is going to lose it again. I understood his question to be a bid for him to sit on the regional Select Committee for the south-west—*[Interruption.]* If he does not want to sit on it, that is a shame because the regional Committees will do a very important job, holding people who spend significant amounts of taxpayers' money to account, ensuring parliamentary scrutiny of expenditure.

Mr. David Heath (Somerton and Frome) (LD): I was interested to hear what the Deputy Leader of the House had to say about his command paper and I wonder whether it amounts to the proposals that the Leader of the House said only last week she would like to talk about with me and the hon. Member for Rutland and Melton (Alan Duncan)—with no such discussions yet taking place. Is it not the case that, in reality, no progress on proper modernisation of the House's procedures has been made? Indeed, the Government have been retrogressive in their increasing use of bullying programme motions, reductions in time so that Bills are not properly scrutinised and their inability to organise our business to the satisfaction of all Members of the House rather than that of the Executive?

Hon. Members: Hear, hear.

Chris Bryant: Conservative Members should not agree with the hon. Gentleman, who is a very unfair gentleman. Last week, he called for proposals on better scrutiny of Government expenditure, and we have today made some suggestions on how we might achieve that. We are happy to consult on them; it is merely a command paper, so legislation would not necessarily have to follow. It would be nicer of him—in fact, it would be nice if he was nice occasionally—if he came before the House to say thank you for the changes we are proposing that will make for better and more effective scrutiny of the Government.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): "The Governance of Britain" document says that the Executive should be more accountable to Parliament, yet the Government have refused to ensure that the noble Lord Mandelson is answerable to Members in this House. At a time when thousands and thousands of businesses are in a desperate state, why is it that the Government will not allow the unelected Secretary of State for Business, Enterprise and Regulatory Reform to be answerable to elected Members in this House?

Chris Bryant: That is a load of poppycock. For a start, all Ministers appear before Select Committees and the hon. Gentleman undervalues the role of Select Committees when he says that noble peers are not able to appear at all. Secondly, I have never heard from him or any Conservative Member the suggestion that peers should be able to answer questions in this House, although

some Labour Members have called for that. It would be a significant departure, but it seemed to be what he was calling for. Now he is looking rather shamefaced about it.

Parliamentary Proceedings

3. **Julie Morgan** (Cardiff, North) (Lab): What plans she has to make the proceedings of the House more understandable to the public. [260752]

The Deputy Leader of the House of Commons (Chris Bryant): We have already done a great deal, including the introduction of explanatory memorandums, changes to the Order Paper to make it easier to understand and the inclusion of more information on the parliamentary website so that all members of the public can understand what is happening in the Chamber. We are, of course, always happy to consider any good ideas that come from any source other than the hon. Member for Somerton and Frome (Mr. Heath).

Julie Morgan: I thank my hon. Friend for that response. My constituents tell me that they are confused by the way we address each other in the House, using terms such as "hon. Member", "right hon. Member", "learned Member", "learned and gallant Member" and so on. The public really do not understand those terms. What can we do to make them more understandable?

Chris Bryant: I understand the point that my hon. Friend makes. I gather that, at one point, there was a debate in the House of Lords about whether one could refer to somebody as a "gallant peer" when there were no longer any four-star generals. It was only four-star generals who previously were referred to as "gallant". I know that many hon. Members find this very complicated and in this House it is sometimes difficult for members of the public to understand whom we are referring to when we refer to the right hon. and learned Member for Rushcliffe or to the right hon. Member for this, that and the other. It is not—*[Interruption.]* From a sedentary position, the hon. Member for Congleton (Ann Winterton) says that it is not simple. It is not very simple for ordinary members of the public and this is perhaps something that we ought to look at. However, parliamentary language is primarily a matter for your consideration, Mr. Speaker, not ours.

Mr. Speaker: It is something that I will not be looking at.

Mr. Andrew Dismore (Hendon) (Lab): The Deputy Leader of the House referred to all members of the public, but I would like to ask him about members of the public with disabilities. For example, may we consider having sign language interpreters, when appropriate and requested, in Select Committees? May we have documents written in Easyread for people with learning disabilities where the issue is of interest to them? For instance, my Select Committee produced its report on services for adults with learning disabilities in Easyread.

Chris Bryant: I am grateful to my hon. Friend for raising that matter. I know that the House authorities have worked hard to make it possible for Members of the House with disabilities to be able to function perfectly as well as any other Member of the House. That is clearly vital. He makes some interesting points that I will seek to take up with the House authorities to see whether there are further ways to make those issues available.

Business of the House

11.33 am

Alan Duncan (Rutland and Melton) (Con): May I invite the Leader of the House to give us the future business?

The Leader of the House of Commons (Ms Harriet Harman): The business for next week will be as follows:

MONDAY 9 MARCH—Estimates (2nd allocated day). There will be a debate on the work of the Department for Business, Enterprise and Regulatory Reform in the current economic situation, followed by a debate on railways. Details will be given in the *Official Report*.

[The details are as follows: Delivering a sustainable railway: a 30-year strategy for the railways? (10th Report of Session 2007-08 from the Transport Committee, HC 219; Government response—eighth special report, HC 1105); and Departmental Annual Report and scrutiny of the Department for Business Enterprise and Regulatory Reform (14th report from the Business and Enterprise Committee, HC 1116; and Government response Cm 7559) and further Oral Evidence of 16 December, 14 January and 23 February.]

At 10 pm the House will be asked to agree all outstanding estimates.

TUESDAY 10 MARCH—Opposition Day (7th allocated day). There will be a debate on unemployment in the UK, followed by a debate on the European working time directive. Both debates will arise on an Opposition motion, followed by proceedings on the Consolidated Fund (Appropriation) Bill.

WEDNESDAY 11 MARCH—Remaining stages of the Business Rate Supplements Bill, followed by motion to consider the Penalties for Disorderly Behaviour (Amount of Penalty) (Amendment) Order 2009.

THURSDAY 12 MARCH—If necessary, consideration of Lords amendments, followed by motion to take note of the outstanding reports of the Public Accounts Committee to which the Government have replied. Details will be given in the *Official Report*.

[The details are as follows: the 30th, the 36th, the 39th to the 41st, the 43rd to the 49th and the 51st and the 57th Reports of the Committee of Public Accounts of Session 2007-08, and of the Treasury Minutes on these Reports (Cm 7493, 7522 and 7545).]

FRIDAY 13 MARCH—Private Members' Bills.

The provisional business for the week commencing 16 March will include:

MONDAY 16 MARCH—Second Reading of the Industry and Exports (Financial Support) Bill.

TUESDAY 17 MARCH—Remaining stages of the Welfare Reform Bill.

WEDNESDAY 18 MARCH—Opposition Day (8th allocated day). There will be a debate on an Opposition motion. Subject to be announced.

THURSDAY 19 MARCH—Motion to approve the draft Legislative Reform (Insolvency) (Advertising Requirements) Order 2009.

FRIDAY 20 MARCH—Private Members' Bills.

I should also like to inform the House that the business in Westminster Hall for the rest of March will be:

THURSDAY 12 MARCH—A debate on the future strategy on race equality.

THURSDAY 19 MARCH—A debate on the report from the Home Affairs Committee entitled "A Surveillance Society?"

THURSDAY 26 MARCH—A debate on the report from the Committee on Arms Export Controls entitled "Scrutiny of Arms Export Control (2008): UK Strategic Export Controls Annual Report 2006, Quarterly Reports for 2007, Licensing Policy and Review of Export Control Legislation".

Alan Duncan: I thank the Leader of the House for giving us the forthcoming business, and welcome her back from her appearance at Prime Minister's Question Time yesterday. I hope that she has fully recovered. I also thank her—this is important—for correcting the record so swiftly on Sir Fred Goodwin's pension, and urge other Ministers to learn from her example.

May we have a further statement on the position of Lord Myners, the City Minister, another banker who has received an honour for his services? Will the Leader of the House confirm that, contrary to previous assertions by the Government, Lord Myners was aware of Sir Fred Goodwin's obscene pension package and, indeed, acceded to it? Might the City Minister's willingness to rubber-stamp Sir Fred's pay-off have had something to do with the fact that he himself has a £100,000 pension entitlement from the Royal Bank of Scotland Group?

May we also have a wide-ranging debate on honesty in Government? Yesterday morning the Minister for Borders and Immigration launched a very aggressive attack on the independent Office for National Statistics, criticising it for, as he put it, "playing politics", questioning its motives for releasing certain data, and describing its decision as

"naive or, at worst, sinister".

Is that not an astonishing charge from a Government who have consistently manipulated statistics for their own political advantage? How on earth can the Minister justify his statements when just two months ago his own boss, the Home Secretary, was forced to apologise to the House for partial and untimely publication of knife crime figures? Is it not increasingly the case that the Government quite simply do not like the statistics because the truth about them hurts?

People up and down the country are finding that the social institutions that once bound us together as a country are fast disappearing. Local surgeries, small shops, police stations and post offices have all been victims of this Government, but now, it seems, it is the turn of the great British pub. Can the House, inspired by the all-party parliamentary beer group, be given an opportunity to debate the question of how pubs can survive when Government policy has already led to the closure of 2,000 of them? What is the point of making it seven times more expensive to drink in the controlled environment of a pub than to buy alcohol in a supermarket, following which so many people end up throwing up on the pavement?

May we also have a debate on how the traditional media will survive the recession? Yesterday's job cuts at ITV are a raw indication of the huge problems that the

[Alan Duncan]

drop in advertising revenue will cause for both broadcasters and the press, and particularly for local newspapers, which are of great value to all of us in the House. I acknowledge that the right hon. and learned Lady may be tiring a little of the affectionate attentions of her friends in the media, but given that a healthy democracy is sustainable only with a healthy media, may we be told what Government policy is on saving our local radio stations and our local newspapers?

Why are we not being given a statement, even today, on the economy? Can we not have a statement from the Government and a full debate on quantitative easing, so that Members can question the Government on how they intend to steer a course through inflation and deflation? The decisions being taken today are of the utmost gravity and will have profound effects on the economy for many years to come. They are desperate measures designed to address economic failure and collapse. When can we be told in clear terms exactly what the Government are doing and why?

Finally, may we have a debate on the way MPs are treated by the press? In the past few weeks we have seen some very cruel references to the right hon. and learned Lady. We have had "Hapless Harriet", "The Mad Hattie" and "Hattie the Harridan"—and that is only from her own side. So may I invite her to my office for a comforting hug, a heart-shaped chocolate and an openly declared hefty cheque from me for her leadership campaign?

Ms Harman: May I congratulate the hon. Gentleman on his excellent response to the business statement? He has rather over-achieved; indeed, on the basis of what he said just now, he must surely at least be on the shortlist for moving to the Wednesday slot and standing in for the Leader of the Opposition.

The hon. Gentleman asked me about Sir Fred Goodwin's pension and Lord Myners, and I would refer him to the comments that were made in the House of Lords by Lord Myners when he answered questions on Monday this week. He made it absolutely clear that the decision was not one for the Government, but one for the old RBS board. That is the position, and we are looking into it, as I mentioned yesterday.

The hon. Gentleman talked about Government statistics. We set up the independent Statistics Authority and the Office for National Statistics, because after his party had been in government confidence in official information was at complete rock bottom. We therefore set up the Office for National Statistics and it does very important work.

The hon. Gentleman asked about pubs. It is true that pubs, like any other businesses, need support during the recession, and I know that Ministers addressed the lobby of Parliament on behalf of pubs yesterday.

The hon. Gentleman asked for more opportunity to discuss the economy. There will be a written ministerial statement later today about the decision by the Bank of England's Monetary Policy Committee to ensure that the inflation target is met and that the economy does not fall below that target by putting extra money into the economy, which is described as quantitative easing. There will be an opportunity to debate the economic situation in Government time next Monday, as well as an Opposition debate on Tuesday on unemployment and a debate on business rates on the following Wednesday. On Monday week there will be a debate on industry and exports and on Tuesday week there will be a debate on the Welfare Reform Bill. There will be a great deal of further discussion on the economy in the next week or two.

Mr. Gordon Prentice (Pendle) (Lab): May we have a statement next week about the national Statistics Authority and the e-mail trail that has been published by the Office for National Statistics on knife wounding? It is clear to me that, having set up the new authority, which is at arm's length and is supposedly independent, the Government are seeking to manipulate the way in which statistics are published. I would ask my friend for a statement next week.

Ms Harman: The Home Secretary has acknowledged that she jumped the gun in putting out one particular statistic, in addition to a number of statistics that have been approved. We need to ensure that we co-ordinate at all times with the national Statistics Authority, and the Office for National Statistics and I pay tribute to their work.

Mr. David Heath (Somerton and Frome) (LD): The Deputy Leader of the House was far too excitable and noisy earlier for me to give an illustration of what I meant by the truncation of consideration. The Northern Ireland Bill, which everyone agreed yesterday was very important, consisted of five clauses and six schedules, but only two clauses were completed in the House and the rest of the Bill was given no scrutiny at all by the elected House. That is no way to run a Parliament.

I agree with the hon. Member for Rutland and Melton (Alan Duncan) that we need a debate on public service broadcasting in the widest sense, particularly in the context of ITV and also because we are losing some very important elements of public service broadcasting, not least children's television, which has almost completely gone down the drain. We need to make sure that the creative industries in this country are properly supported.

May we have at the very least a statement, if not a debate, on the excellent report on contaminated blood and blood products by the noble Lord Archer of Sandwell? I pay tribute to my hon. Friend the Member for Cardiff, Central (Jenny Willott) and the hon. Members for Knowsley, South (Mr. O'Hara) and for Staffordshire, Moorlands (Charlotte Atkins) for their very good work in that area. It cannot be right that 5,000 haemophiliacs are infected with blood contaminated by HIV or hepatitis C yet no recompense is made and we do not investigate the circumstances. At present, there is no commitment for a Minister even to respond to the report, because it was not Government-commissioned, but I hope that the Government will respond and do so promptly, as the matter is of great public interest.

I notice that on Tuesday 10 March we have a debate in Opposition time on the European working time directive. I welcome that, but may we have a separate statement from Ministers on the position of retained firefighters? There is a serious problem for those of us who live in rural areas because we rely on retained firefighters to provide an essential service, and the application of the working time directive in its present form will have a profound effect on their ability to do their job effectively.

Lastly, I do not know whether the Leader of the House saw the performance before the Treasury Committee of the leadership of United Kingdom Financial Investments Ltd—or UKFI as I believe we are supposed to call it—but I think most members of the Committee felt that it was fairly deplorable. From what the right hon. and learned Lady said yesterday, it seems that she has confidence in that organisation to do the job she wants. In view of her comments yesterday and, perhaps most appositely, the comments of her ministerial colleagues, may we assume that the Bill writing team for the Sir Fred Goodwin (appropriation of assets) Bill has now been stood down?

Ms Harman: The hon. Gentleman made some comments about my deputy, but I have to say that I will not hear a word against him. My hon. Friend is fast on his way to becoming a national treasure. He is not excitable and noisy; he is energetic and outspoken—rightly so.

The hon. Gentleman mentioned the Northern Ireland legislation. As he will remember, there was no vote on the Second or Third Reading of the Bill because the principles were accepted. On his question about the consideration of amendments, their selection is rightly a matter for the Speaker.

The hon. Gentleman asked about broadcasting and regional news—as did the shadow Leader of the House. Regional news is very important indeed and I will, if I may, consider it for a future topical debate.

The hon. Gentleman referred to the work of Lord Archer. Everybody will know that is not Jeffrey Archer but our own Peter Archer, Lord Archer of Sandwell. He is a former Member of this House, who has done important work on the report on contaminated blood products. I thank him for his work. The Government will be responding shortly.

The hon. Gentleman expressed concern about the effect of the working time directive on retained firefighters and there will be an opportunity further to debate that during the Opposition day debate on the working time directive next Tuesday.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Will my right hon. and learned Friend join me in deploring the Competition Appeal Tribunal decision on Tesco and the Competition Commission's original decision to have a local competitiveness rule linked to planning permission? Is she aware that many of our towns and cities are being blighted by that manipulative monopoly, and is it not about time that we debated Tesco in this House and introduced legislation to cut its monopoly?

Ms Harman: I will draw my hon. Friend's comments to the attention of my right hon. Friend the Secretary of State for Communities and Local Government and my noble Friend the Secretary of State for Business, Enterprise and Regulatory Reform, and ask them to contact him directly. He might also consider seeking a debate on the Adjournment on the subject.

Mr. Hugo Swire (East Devon) (Con): Following East Devon district council's insistence on a judicial review of the boundary changes, Mr. Justice Cranston said that the boundary committee had

"misdirected itself as to what it could publish, consult on and propose to the Secretary of State".

In addition, the Minister for Local Government said:

"No change has always been an option."—[*Official Report, Westminster Hall*, 24 February 2009; Vol. 488, c. 22WH.]

That is certainly not what the boundary committee told Members of Parliament when we were briefed at the beginning of the process. Therefore, please will the Leader of the House insist that the Secretary of State makes an urgent statement to the House at the earliest opportunity to clarify a process that is rapidly becoming a fiasco?

Ms Harman: I will draw the matter to the attention of my ministerial colleague. I would have liked to be able to give a fuller answer to the hon. Gentleman's point—which is, no doubt, important—about East Devon district council. If he and other Members wish to raise a specific constituency issue and want a substantive reply, then I ask them, please, to nip around the corner to my room and tell me in advance. If the hon. Gentleman had done so, he might have got a fuller answer. I will get a fuller answer to him, but I cannot give him one right now.

Mr. Jim McGovern (Dundee, West) (Lab): May we have a debate on the future of the UK's energy needs? Such a debate would allow us to highlight the Scottish National party-led Scottish Executive's complete disregard for nuclear energy as part of Scotland's future energy mix. I am sure that the Leader of the House is aware that that SNP stance flies in the face of current scientific opinion and contradicts the opinion of Scotland's scientific adviser, Professor Anne Glover.

Ms Harman: It is a pity if the SNP fails to recognise the sea change on the need to ensure that we have a mixed energy economy, and that nuclear energy will play its part alongside renewables and carbon. Almost the whole of the environmental lobby has grasped the importance of the role of nuclear energy, and it is a pity that the SNP is lagging behind the times.

Dr. Julian Lewis (New Forest, East) (Con): May we have a statement from the Leader of the House herself on the basic standards of ethics expected from hon. Members when they endorse scurrilous charges in the press against the personal conduct of other hon. Members? I declare a personal interest in this, because the day before the vote on secrecy of Members' home addresses, an article appeared in the sleaziest tabloid in Britain, accusing me of hypocrisy, lying and abuse of the parliamentary housing allowance. Those issues are for another time, but at the end of the article was a statement by an hon. Member whom I do not propose to name today, and who is not present even though I warned him that I was going to raise this issue. The article said that he

"fumed: 'This is all further evidence that the second homes allowance has to be tightened up so the public can have confidence MPs only claim what they need.'"

That was a clear endorsement of the charges. He has now written to me and said:

"I can confirm that I did not see the final story before it appeared and was unaware of much of its contents."

I believe that this is despicable behaviour, and I would like a statement from the Leader of the House to advise hon. Members at least of basic standards of decency towards other hon. Members.

Ms Harman: All of us as Members of this House know that we are fair game for rumbustious political debate; we expect that, but the hon. Gentleman makes an important point about allegations of wrongdoing, dishonesty and the like. In this Chamber, there are very strict rules that people have to have some evidence before they throw mud. Members should not make personal allegations against other hon. Members outside the House; that maligns the reputation of hon. Members and the House as a whole. I have a lot of sympathy with what the hon. Gentleman says.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): May we have a debate on how Members of Parliament who represent this House in other assemblies report back on their activities? We have no mechanisms by which the House can debate, and be informed about, the work of bodies such as the Organisation for Security and Co-operation in Europe, which is becoming increasingly important in building democracy in eastern Europe, the NATO parliamentary assembly and the Council of Europe. May we discuss this?

Ms Harman: My hon. Friend makes an important point. Parliamentarians do an important job in scrutinising legislation and holding Ministers to account, and they speak up for, and engage in, activities in their constituencies, but, as she rightly points out, they also play a big role in other, international institutions. There is no current format by which that can be reported back to the House, so I will be happy to discuss with her how we might find an opportunity to do that.

Greg Mulholland (Leeds, North-West) (LD): It is welcome that the Government have published the national dementia strategy, but the way it was announced—on television and without Department of Health Ministers coming before the House and explaining it—was unfortunate. As this is such an important issue, and one that is of concern to Members in all parts of the House, may we now have a debate in Government time to talk about this important initiative, and how we can help the many people, and their families, who are plagued by that awful range of conditions?

Ms Harman: These issues are important, and this might, perhaps, be the subject of a Westminster Hall debate.

Mr. Andrew Dismore (Hendon) (Lab): May we have an urgent statement on the deteriorating situation in Sri Lanka, with the Sri Lankan army onslaught on Tamil areas? There are some terrible human rights abuses, serious atrocities are taking place, a lack of medical facilities and a complete news black-out is being imposed by the Sri Lankan Government so we hear very little about this in the media. Will my right hon. and learned Friend try to ensure that we get more information about this in House, and, in particular, will she consider whether Sri Lanka should be suspended from the Commonwealth, bearing in mind those appalling human rights abuses?

Ms Harman: My hon. Friend is right: the situation in Sri Lanka remains extremely grave, even since that which we debated in the House a couple of weeks ago. I will make sure that I, together with my right hon. Friend the Foreign Secretary, keep under review opportunities both for updating the House on this and for further debate.

Mark Pritchard (The Wrekin) (Con): May we have an urgent debate on the nationalised banks and, in particular, access to the minutes of their board meetings? Is it not right that, if the taxpayer is the majority shareholder, there should be full access to those minutes, in order that my constituents can see what decisions have been made on pensions and a variety of other remuneration matters?

Ms Harman: Treasury Ministers frequently address questions to do with giving out information that is in the public interest and should be put in the public domain when they come to the House and account for our support for the banking system. An issue has arisen about the publication of information about the HBOS merger, and all information, other than that which is restricted under the Enterprise Act 2002 for commercial confidentiality reasons, is being released. I cannot add to what Lord Myners said in the House of Lords earlier this week about the process that led up to Sir Fred Goodwin's pension arrangement, but, as I said yesterday, United Kingdom Financial Investments is looking into this, and we will, no doubt, hear further on it.

Mr. David Chaytor (Bury, North) (Lab): For the past few days, a delegation of doctors from the north-west of England, including at least one from my constituency, has been waiting in Rafah to gain access to Gaza to deliver a very valuable consignment of medical supplies. Will my right hon. and learned Friend speak to the Foreign Office to see if there is anything more the British consul in Rafah can do to enable them to get access to Gaza, and now that Gaza is moving off the headlines, might it be possible to have a debate entitled, "The reconstruction of Gaza", so that the House can assess the result of the atrocities committed several weeks ago and the nature of the international effort to rebuild that troubled region?

Ms Harman: My hon. Friend might have seen that the Secretary of State for International Development was in Gaza just a few days ago—perhaps I shall discuss with him whether it would be worth while his updating the House by way of a written ministerial statement. Our utmost concern is to ensure, together with the international community, that the humanitarian aid so desperately needed for reconstruction in Gaza gets through to the people who need it.

Mr. Edward Leigh (Gainsborough) (Con): My hon. Friend the Member for New Forest, East (Dr. Lewis) is one of the most honourable, straightforward and honest Members of this House. A grave disservice was done to him on Monday night when his proposal was put to the vote without a proper debate. Since the Ballot Act 1872, which was one of the great achievements of the Victorians, there has been a requirement that one must put one's home address on the ballot paper. [HON. MEMBERS: "No!"] Yes, since that Act—and as far as I know nobody has been attacked in their home. This matter is vital, because it is about the liberties of the people. Will the Leader of the House now commit to our having a proper debate on it?

Ms Harman: That Bill was dealt with in the usual way, and the question of the selection of amendments is a matter for the Speaker.

David Taylor (North-West Leicestershire) (Lab/Co-op): My constituent, Declan Turner, who is dyslexic, achieved nine A to C grades at GCSE. Despite that, because he did not achieve the same in English, he is precluded from progressing to a level 3 apprenticeship. The local Stephenson college has been very helpful, but policy change is needed by EMTA Awards Ltd. It is one of many such problems that dyslexic students encounter. May we have a debate on dyslexia and the Government's plans, priorities and resources for tackling the discrimination and injustice that is still the daily lot with which many people have to grapple on a continuing basis?

Ms Harman: My hon. Friend raises a very important point on behalf of his constituents. I shall raise it with my right hon. Friend the Secretary of State for Innovation, Universities and Skills and I shall also discuss it with him, because we want to ensure access for everybody who can benefit from apprenticeship schemes and that people do not face the obstacles that my hon. Friend has described.

Sir George Young (North-West Hampshire) (Con): What has happened to our topical debates? Does the right hon. and learned Lady recall saying the following to the House?

"Topical debates will be weekly 90-minute debates on a topic of the day".—[*Official Report*, 25 October 2007; Vol. 465, c. 448.]

We had no topical debate on Thursday 12 February, when the House adjourned at 2.52 pm, or last Thursday. No such debate will take place today or on either of the two Thursdays whose business she has just announced. Is there really nothing exciting going on outside that we should debate, or is this a reform that she has quietly buried?

Ms Harman: It is not a reform that has been buried—far from it; the topical debates have been very useful. The possibility of Lords amendments next Thursday, together with the fact that we will consider the motion to take account of the reports of the Public Accounts Committee, are the reasons we will not have a topical debate next Thursday. The following Thursday's business was only provisional, so I suggest that the right hon. Gentleman wait until next Thursday to see the final business for the following week before deciding whether it would be more important to have a topical debate.

Mrs. Ann Cryer (Keighley) (Lab): May we have an early debate on the operation of the Department for Transport's Vehicle and Operator Services Agency, which announced the closure of the Steeton testing station, in my constituency, without any consultation? That facility is well regarded and is booked up for weeks ahead, and local firms and the Keighley bus museum, of which I am a trustee, will have to travel at least 25 miles after the closure. This is a really badly thought out closure.

Ms Harman: My hon. Friend makes an important point about concerns in her constituency, and I suggest that she take the opportunity to raise it in oral questions to the Department for Transport next Tuesday.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): The Prime Minister gave an undertaking that the Executive would ensure that the House was able to scrutinise legislation properly, and it is the Leader of the House's job to implement that commitment. Will she explain how she will provide sufficient time for us to debate all the groups of amendments that you select, Mr. Speaker, on large Bills such as the Policing and Crime Bill? It started off with six substantive sections, which will all be in different parts in any groupings, and the Government have added two new sections in Committee—those on the DNA database and on gangs—where there was not enough time for Opposition Members to table amendments. Will she give an undertaking that at least two days will be taken for that Bill and any similar Bill, because it is not acceptable for legislation to go through this House without being debated?

Ms Harman: We are trying to ensure on that Bill that there are as few Government amendments as possible, aside from those that arise from Opposition and Back Bencher requests in Committee. As far as subsequent stages are concerned, until we have seen the full range of Opposition amendments tabled it is not possible to work out the adequate amount of time that needs to be set aside for addressing the Bill.

Mr. David Drew (Stroud) (Lab/Co-op): My right hon. and learned Friend will be aware of the parlous state of Sudan at the moment, with the International Criminal Court citation of President Bashir about to be followed through. I have already had notice that Save the Children is withdrawing all its aid workers and that Médecins sans Frontières Holland has been expelled from Darfur—that puts millions of people at risk. Would she consider an urgent debate to examine the ramifications for that troubled part of the world and how the British Government may still be able to help at this time?

Ms Harman: I will look for an opportunity to debate the important issues that my hon. Friend raises. It is important that Sudan co-operates with the ICC investigation, does not escalate the situation and does not retaliate against the aid agencies, which are doing very important work, delivering for people who are under great threat in that country.

Perhaps I may update the House by saying that the Bank of England has just announced that it has cut interest rates from 1 per cent. to 0.5 per cent., and that in respect of quantitative easing the Monetary Policy Committee has introduced up to £75 billion extra that will be put into the economy.

Sir Nicholas Winterton (Macclesfield) (Con): My hon. Friend the shadow Leader of the House raised the matter of the news journalists being made redundant by local newspapers and local radio stations. Silk FM, which is part of The Local Radio Company plc—in turn, a subsidiary of the Guardian Media Group—has recently got rid of both its news journalists in Macclesfield. One of them has been made redundant and the other has been transferred to a new centre—which will cover at least three local radio stations—in Burnley, 40 miles from Macclesfield. Will she find time for a debate, either on the Floor of the House or in Westminster Hall, on the problems facing local newspapers and local radio stations, and on their failure now to provide proper news coverage, which is affecting the information that is available to people in my constituency, among others?

Ms Harman: There clearly is a demand for a debate—it could probably be discussed in Westminster Hall—on the important services of local and regional news media, as well as the question of public service broadcasting.

Dr. Brian Iddon (Bolton, South-East) (Lab): My constituent David Fielding was one of those haemophiliacs, referred to by the hon. Member for Somerton and Frome (Mr. Heath), who contracted the hepatitis C virus as a result of a national health service blood transfusion. His brother, Brian, actually died from it, and as a result David has led a vigorous campaign for a public inquiry into what has become known as "tainted blood". I was pleased to hear what my right hon. and learned Friend said earlier about Lord Archer of Sandwell's very important report, but may I be audacious enough to suggest to her that it would be better if we had a full debate so that all its content could be fully explored in this Chamber, rather than a statement from the Secretary of State followed by questions?

Ms Harman: I will take into account the points that my hon. Friend has made, and I offer my congratulations to the campaigners who, as well as suffering ill health as a result of the contaminated blood products, have brought to the public's attention the injustice that they have suffered. The Government will respond shortly.

Mr. Andrew Mackay (Bracknell) (Con): Let us get back to the behaviour of the Treasury Minister, Lord Myners, who is totally unaccountable to this House, and specifically to the issue of Sir Fred Goodwin's pension. It is now clear from the new chief executive of RBS that the Government were consulted on the pension. Lord Myners was the Minister and it is now clear that he receives a substantial pension from RBS. Is it not inconceivable that he did not ask whether the pension was in any way discretionary, and should we not have an urgent statement from the Chancellor or another Treasury Minister next week?

Ms Harman *rose—*

Mr. Speaker: Order. We must be careful about what we say about Members of the other place. We must not imply anything about their conduct. Perhaps the Leader of the House will take that point into account.

Ms Harman: Lord Myners is accountable to the House of Lords, and he was accountable in the proceedings there on Monday. It might not seem important to Opposition Members, but it was very important that the Government took action to ensure that RBS was still standing. I pay tribute to all the Business, Enterprise and Regulatory Reform Ministers and Treasury Ministers who were involved in ensuring that RBS did not collapse altogether, as that would have had devastating results. I also congratulate the officials in those Departments who worked with the banks to ensure that outcome. Perhaps hon. Members should focus on that as well as the pension point.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): The business of one of my constituents in Edinburgh has been severely affected by the dubious practice of English Heritage in recommending that local authorities refuse planning consent for one of his products—replica historic fireplaces—and use instead products from a competitor, for which English Heritage receives a commission. Given that my request for a debate in Westminster Hall on the issue was unfortunately unsuccessful this week, will my right hon. and learned Friend ask the Secretary of State for Culture, Media and Sport to issue a statement on the matter or at least arrange for it to be investigated as soon as possible?

Ms Harman: I suggest that my hon. Friend seek a meeting with the Minister responsible. I know that it is an important issue for his constituents who produce the fireplaces in question.

Mr. Christopher Chope (Christchurch) (Con): The Prime Minister promised that there would be full consultation with Members on our relationship with members of the UK Youth Parliament. When will that consultation take place? What does the Leader of the House think would be a reasonable period of time for the debate on motion 2 on today's Order Paper?

Ms Harman: The motion is on the Order Paper today, and it is disappointing that it has been blocked. It is important that we have a strong relationship between this House and the national Youth Parliament.

Richard Ottaway (Croydon, South) (Con): May we have a debate to clarify the definition of assisted suicide? The Leader of the House will be aware that the Lord Chief Justice has declared that leniency will be shown in interpreting the legislation in the case of suicide of terminally ill patients. He confirmed that there would be no further judicial clarification and that the

"proper forum for that discussion is Parliament."

Does the Leader of the House agree that whatever side of the debate we are on, we cannot have a situation in which the judges make the law? Does she agree that the sooner this matter is sorted out the better?

Ms Harman: This House has set down the legal framework, and the Government have no plans to amend the law on assisted suicide. It is the responsibility of the judges to interpret the law as it stands.

Justine Greening (Putney) (Con): Will the Leader of the House urgently investigate with the Department for Transport the content of a parliamentary answer that I received this morning? It says that more than 1,500 postcards opposing the expansion of Heathrow from my constituents were excluded from the consultation analysis because they were received before the start of the consultation. However, I have a photograph of myself handing in those postcards at the Department during the consultation. That raises some serious questions about how many representations from constituents have been excluded. If I send the Leader of the House the details, can she follow that up with the Department?

Ms Harman: I suggest that the most direct route for the hon. Lady to follow would be to raise the point at Transport questions next Tuesday.

John Bercow (Buckingham) (Con): I echo the request made by the hon. Member for Stroud (Mr. Drew) about Sudan, and in particular Darfur.

May we have a debate or at any rate a statement in Government time on the Floor of the House on the plight of the 6,000 children who exclude themselves from school as a result of extreme bullying, 50 per cent. of whom have contemplated or sought to commit suicide in consequence? Is the Leader of the House aware of the Red Balloon learner centres, of which there are currently three, in Cambridge, Norwich and north-west London? They have a fantastic track record in rebuilding the self-esteem of those damaged children and enabling them to return to school, to go on to college or university, or to obtain employment. Those centres have great difficulty in accessing public funding. There are plans for another five such centres, but we need the tap of public funding to be turned on. They are a very vulnerable group of children to whom we owe a particular duty of care.

Ms Harman: The hon. Gentleman will know, because he is closely involved in and works continually on these issues, that the Department for Children, Schools and Families has been developing and implementing an anti-bullying strategy. Bullying at school can blight a child's whole life, and I suggest that he try to raise the issue at DCSF questions on Monday.

Dr. Andrew Murrison (Westbury) (Con): In the business statement I missed again any reference to a debate on the aircraft carrier programme. The Leader of the House will remember that in December the delay to that programme was sneaked out by way of written ministerial statement. The grounds for the delay—that the aircraft could not be provided within the timeframe originally envisaged—have been flatly denied by the supplier. Will the Leader of the House ensure that Defence Ministers are apprised of the importance of this matter and that Government time is made available for this issue of vital national significance to be adequately debated in the House?

Ms Harman: There will be the customary debate on the Floor of the House in Government time on defence procurement. I hope to be able to announce that as part of the business of the House, certainly before the Easter recess.

Philip Davies (Shipley) (Con): May I first agree with the hon. Member for Keighley (Mrs. Cryer) on the issue that she raised.

May I ask the Leader of the House for a debate on regional transport boards. The Department for Transport produced some data that showed that the average speed of cars travelling along the A650 in my constituency is 12 mph, and it is much slower at peak times. There is also a real bottleneck at Saltaire roundabout. Saltaire is a world heritage site, but the funding necessary to sort out that roundabout is being blocked by the regional transport board in Yorkshire, to which Bradford council must keep applying for funding. The RTB is unelected and unaccountable. How can my constituents lobby the board to allow work that is vital to the local area?

Ms Harman: That is a good argument for the hon. Gentleman to put his name forward to join the Yorkshire and the Humber regional Select Committee. If he wants to hold the regional transport board to account for the work that it does in his constituency, he can join other hon. Members from his region who will be doing exactly that. Otherwise, his voice will not be heard.

Mr. Mark Harper (Forest of Dean) (Con): May I ask the Leader of the House to consider again a debate in Government time on the Government's policies for disabled people? It is nearly three years since this House last debated that subject. I have raised it with her on two occasions, on both of which she said that she would go away and think about it. This time, can she commit to going away, thinking about and providing such a debate? In that debate, we can talk about the disability pay gap, especially that at the Home Office, which on average pays its disabled employees a third less than its non-disabled employees.

Ms Harman: I take the hon. Gentleman's points and I am in the process of seeing whether there is an opportunity to debate the issues that he has raised. The equality Bill that we will introduce in the next few months will provide an opportunity for the House to focus on the injustice and unfairness that many disabled people meet and on the importance of legislating to ensure the fair treatment of disabled people. I look forward to working with him as we take the Bill though the House.

Mr. Philip Hollobone (Kettering) (Con): Yesterday, the charity SANDS, the Stillbirth and Neonatal Death Society, held a parliamentary reception to celebrate the publication of its report, "Saving Babies' Lives". Some 6,500 babies die just before or after birth in this country in every year—that is 17 every day. The rate of death is 10 times that of cot death and the rate of stillbirth has not changed over the last decade. May we have an urgent statement from the Department of Health about what the Government will do to tackle this problem?

Ms Harman: The Government will be responding to the SANDS report. The society has done excellent work over the years highlighting the important issue of stillbirth. We have put a great deal more resources into this. There are more midwives, more health visitors and more specialists but, as SANDS reports, we need to go further and no doubt SANDS will be in discussions with the Department of Health.

Points of Order

12.21 pm

Anne Main (St. Albans) (Con): On a point of order, Mr. Speaker. We have just had an update from the Leader of the House that we have now gone to £75 billion quantitative easing, which is uncharted territory. I ask the Leader of House to consider arranging an emergency statement so that the House may debate it. Frankly, I am surprised that we are not at least being offered a topical debate on the matter, given that it was widely trailed on all the radio programmes this morning and is now a reality.

Mr. Speaker: I am not responsible for as and when Ministers come to give statements to the House, except when hon. Members ask for an urgent question. I can then call the Minister—

Miss Julie Kirkbride (Bromsgrove) (Con): Further to that point of order, Mr. Speaker.

Mr. Speaker: If I may finish. I can then call a Minister to the House. I have no doubt that the deep concern that the hon. Member for St. Albans (Anne Main) has mentioned will be noted.

Miss Kirkbride: Further to that point of order, Mr. Speaker. The announcement was only made at 12 o'clock, although it had been widely anticipated. Clearly, it is possibly the most significant economic move that any of us will see carried out by the Government and the Bank of England in our lifetime. Can you tell us whether Treasury Ministers have said that they are prepared to come to the House either today, or at the very latest tomorrow, to explain this enormously significant economic move?

Mr. Speaker: These things are up to Treasury Ministers. The matter has been put on the record by both hon. Ladies.

Mr. Christopher Chope (Christchurch) (Con): Further to that point of order, Mr. Speaker. We sympathise with the position in which you are placed by the arrogance of the Government, but can you give us an indication of whether you would be prepared to consider an urgent question for tomorrow? The House happens to be sitting this Friday and there will be a lot of public interest in the major announcement that was made by the Government today.

Mr. Speaker: I am not suggesting that I will grant an urgent question, because it would be wrong of me to do so at this stage. Matters have been put on the record and the deep concern of hon. Members has been conveyed, and it will percolate through to Treasury Ministers. An application for an urgent question can be made in the usual way—*[Interruption.]* The Clerk reminds me it has to be done for 11 am. I used to work to a stopwatch when I was at Rolls-Royce.

Support for Women (Economic Downturn)

12.24 pm

The Minister for Women and Equality (Ms Harriet Harman): I beg to move,

That this House has considered the matter of support for women through the economic downturn and for the future.

International women's day is the day when we celebrate the role of women in their families and at work in this country and around the world. It is a time to focus on our determination to tackle the discrimination against, and oppression of, women and to step up our progress towards fairness and equality. The theme of today's debate is women in the downturn and beyond it, and I want to say why we have chosen this subject.

People say that the global economic downturn surely affects men and women alike. Yes, the global economic downturn affects both men and women, but it affects them in different ways because women's lives are different from men's. Women still do the lion's share of caring for children and looking after older relatives. Women are still, in many ways, the managers of the family. Women have different patterns of work from men and are more likely to work part time. There are still some jobs that are mostly done by women and some that are mostly done by men. Women still suffer pay discrimination at work.

What has not changed since the last recession is the fact that women are still the main family carers. What has changed is the fact that women's work is even more important now than it was 10 years ago. Women's jobs are much more important than they used to be at the time of the last recession. Women's work is even more important to the household budget than it used to be. More than 30 per cent. of a family's income in couples' households comes from women. For more than 20 per cent. of all couples, women's individual income contributes to more than 50 per cent. of that family income. Women's work is even more important than it used to be to the household budget.

Women's work is more important to women themselves. Women have a pride in the work that they do and know that they make a contribution to the world outside the home as well as in the home. Women's work is more important now in every sector of the economy than it was. In financial services, women make up 50 per cent. of the work force. In the retail sector, women make up 60 per cent. of the work force. Women's work is vital in public services, too. Some 65 per cent. of public services are delivered by women.

Women's work is important, too, in lone parent families, so that children are not brought up in households where they never see anyone going out to work.

Philip Davies (Shipley) (Con): As the right hon. and learned Lady points out, the debate is about supporting women and families through the downturn. Does she not agree that the Government's duty is to support everybody through the downturn based on their need, irrespective of their gender, and that men should be given as much support as women if they need it? Is she saying that the need to support women is more important than the need to support single men, gay men or men with families?

Ms Harman: I do not know whether the hon. Gentleman was listening, but I was just explaining that because women are the main family carers, because they are more likely to work part time, because they are more concentrated in some sectors of the economy than in others and because their work is vital to our public services, we need to ensure that we do not overlook the work of women, which has become even more important to our economy and public services over the past 10 years.

Mr. David Drew (Stroud) (Lab/Co-op): Does my right hon. and learned Friend accept that the best way to help women at the moment is to introduce the equality Bill and to ensure that it is a robust Bill that introduces all the things that this party and this Government would want to do to ensure that there is fairness in the way in which we treat women, particularly at work?

Ms Harman: I fully agree with my hon. Friend's point.

It is encouraging that the number of children in lone-parent families where the parent works nearly doubled in the past 10 years. For all those reasons—for their importance to the household budget and their importance to the economy and public services—we cannot and will not allow women and their work to become the victims of the recession.

Mrs. Maria Miller (Basingstoke) (Con): Before the right hon. and learned Lady moves on, does she also want to cover the disproportionate impact that the recession has had on women's employment and the high levels of redundancy that women have seen in comparison with men as a result of the recession? Surely that is another reason why it is important that we talk about this issue today.

Ms Harman: As I have just said, I will keep a very close eye on the situation. We must give women all the support that we can, for the reasons that the hon. Lady has identified.

Both men and women are worried about the effect on our economy of the global economic crisis. Men are worried about their jobs—of course they are—but it appears that women are even more worried.

Mr. Philip Hollobone (Kettering) (Con) *rose—*

Ms Harman: Women are worried about their own jobs and about those of their husbands. They worry about losing the family home if one of them becomes unemployed, and about their children's prospects and whether they will be able to get a job or a home. They worry too about elderly relatives whose savings incomes are falling and about pressures on the family budget. It is therefore very important that we take all possible steps to reassure women that we are taking all the action that we can to stabilise the economy and put it on to a strong footing for the future, and that there is real help now for families that get into difficulties.

Dr. Andrew Murrison (Westbury) (Con): Does the Minister not understand that the best thing for the Government to do is to ensure that their loan guarantee schemes work? They have made a lot of noise about them, but the schemes need to start safeguarding the jobs that are being lost every week in constituencies up and down the land. That is happening in my constituency as well, and the women in my area who come to see me are concerned to explain how, thanks to this Government, their businesses are failing.

Ms Harman: When the hon. Gentleman's constituents who run businesses go to see him, I hope that he makes sure to tell them how they can be helped with their cash flow. They can apply to defer tax payments, and they can be sure that the Government will pay their bills on time. We are putting money into the economy through the VAT cut and by ensuring that we keep the capital spending programme going. All those measures are being taken, and we will introduce further measures and schemes to help guarantee loans.

We want to reassure women that we are taking the necessary action and that there is real help for families that get into difficulty. That is why we have published the booklet "Real Help Now For Women", which contains practical advice and information about employment rights and where to go for help if they lose their jobs. It also offers guidance about child care, skills and training. We want to make it absolutely clear that, if a family member loses their job, that will not mean that the family home is lost.

We want to reassure women too that the new school building planned for their area, which they fought for and are looking forward to, will go ahead. The same is true of their new children's centre, college, health centre or housing, because we do not want a lack of confidence in the future to contribute to the problems of the economy now.

Mr. Hollobone *rose—*

Ms Harman: We will make sure that women know their rights, and that we get the message across loud and clear to employers that they cannot make part-timers or women on maternity leave redundant first, as that is unlawful and unfair. They have to treat everyone fairly.

Mrs. Eleanor Laing (Epping Forest) (Con): It is vital to safeguard the right to request flexible working, and I hope that the right hon. and learned Lady will argue her case against those members of the Cabinet who have been reported as believing otherwise. That right could come under pressure in an economic downturn and affect women both disproportionately and very badly. We all support what she is arguing for in that respect, and I hope that she wins her argument against her Cabinet colleagues.

Ms Harman: I can tell the House that we will keep the right to request flexible work, which is so important for parents who have to balance work with bringing up children. Moreover, far from cutting back on that right, we are going to extend it: from 1 April, the right will be available for parents with children up to the age of 16, rather than just six.

We cannot tackle what is a global financial crisis in any one country. We need international action, and that is what the Prime Minister is taking forward in the run-up to the G20 meeting. For many women, however, the appearance on the news of a global economic

[Ms Harman]

summit does not inspire in them the sense that the people at the summit are talking about them—their hopes, fears, life and work.

Ms Dari Taylor (Stockton, South) (Lab): Madam Deputy Speaker, it is a pleasure to see you in the Chair this afternoon. Does my right hon. and learned Friend accept that, although tax credits and the national minimum wage have lifted women's wages to a point that was not considered possible in the early 1990s, the pay gap still exists, especially for blue-collar workers? Is it not time that the salaries and wages paid by all companies were audited, so that equal pay for work of equal value became an absolute fact for everyone?

Ms Harman: I agree with my hon. Friend, and that is one of the important issues to be addressed in the equality Bill in a few months.

As I said, we need to take international action, but many women do not think that global economic summits talk about them or really understand their lives. However, April's G20 summit in London will be different. It wants to listen to the concerns of women as well as men, to act to protect families as well as workplaces, and to hear women's voices as well as men's. Women's voices will be heard at the summit through a big discussion about women and the global economic downturn.

The economic debate is being discussed in unusual channels. The discussion has been storming through the website Mumsnet, and I want to thank each and every one of the women who have posted comments on the site about the debate on the economy. I cannot help noticing that most of the posts are made at 9 pm or later, after the children have been put to bed.

Debate is raging not just through *The Economist*, as it will also feature in *Take a Break* magazine. Moreover, bankers and Ministers are not the only ones meeting in No. 11 Downing street to discuss the economy. Yesterday, a meeting in No. 11 was attended by the Conservative and Liberal Democrat spokespersons on these matters, the right hon. Member for Maidenhead (Mrs. May) and the hon. Member for Hornsey and Wood Green (Lynne Featherstone). I thank them both for coming. It was also attended by representatives of the Towns Women's Guild, the Women's TUC, the Women's National Commission and the Fawcett Society. Their views, and the views of all the others who attended yesterday, will be fed into the London summit in April.

The matter is also being discussed by women in different parts of the world. It was discussed at the FEMM Committee of the European Parliament, which I was delighted to address last month on behalf of the Government. It is also being discussed at the United Nations Commission on the Status of Women in New York, and the Government Equalities Office is playing a part in that. After the London summit, I shall host a meeting of women Ministers from other countries to engage women in a continuous discussion of how we can go forward from the G20.

As well as offering real help now, we need to build a stronger economy and a fairer society after the recession. As I said, we will introduce a new law to give women and men who have children up to the age of 16 the right to request flexible working. Our Government enterprise strategy will support women entrepreneurs, and that very important work will be carried out through the regional development agencies.

We have set up an inquiry into pay discrimination in the financial services industry, which will be carried out by the Equality Commission. The financial services sector needs a major shake-up—that is clear beyond doubt. One of the issues that needs to be addressed is pay, not just for those at the top but for the 50 per cent. of financial services employees who are women.

The gender pay gap in financial services is worse than in any other sector. The pay gap for women in retail is 14 per cent.—that is still too big and unfair—but in financial services it is a staggering 44 per cent. The Equality Commission will give an interim report to me at the end of this month, and will then go on to make further inquiries and use its legal powers if necessary. We will also press on with our equality Bill to ensure fairer treatment of women at work—all women, including minority ethnic women, women with disabilities, and older women.

In conclusion, the task of the Government in these tough economic times is to ensure that the recession is as short and as shallow as possible. We must also protect the most vulnerable during it and ensure that we lay the basis for a better Britain, a stronger economy and—absolutely crucially—a fairer society.

Ms Dari Taylor: I am grateful to my right hon. and learned Friend for giving way again. She is addressing the issue of the recession very positively, but will she comment on the statement made by one Opposition Member that recession can be good for us?

Ms Harman: I do not agree at all. That minimises the fears and the apprehension that we all understand and know about. We are determined to provide people with the reassurance and help that they need now. As we build for the future—as we build a new economic order—it is imperative that we lay the basis for a new social order, and that means putting fairness at the very heart of what we do. When people feel that their backs are against the wall, it is even more important to press on with equality, and to fight discrimination and prejudice.

Fairness is not just important to individuals, but vital for a strong economy and a cohesive society. In these difficult and painful economic times, we are giving people real help now, and real hope for the future. For Labour, that hope is of a fair and equal society that is strong, stable and prosperous, and in which everyone has a genuine stake. Today's debate comes at an important time for women and families across the country, and will make an important contribution. I look forward to hearing the comments made.

12.40 pm

Mrs. Theresa May (Maidenhead) (Con): This is indeed an important debate, and it would have been timely even had it not coincided with international women's day, which is this Sunday. For all the talk about bail-outs, and bankers' bonuses and pensions, it is in the homes of millions of families across the country that the effects of recession are most severely felt. Our thoughts must be with families who are struggling to pay bills, or facing redundancy.

Let me say to my hon. Friend the Member for Shipley (Philip Davies) that we must of course be concerned about the impact of the recession on everyone, but this recession is having a different impact on women from recessions in the past. It is appropriate, in advance of international women's day, for us to stop and give some thought to the particular effect that it is having on women. However, we must also be clear that the recession's impact on women is not limited to the workplace. For example, older women—they may also be carers—who rely on savings have been badly hit financially by the interest rate cuts, so the impact goes beyond the workplace. There is no typical woman, and women will be affected by the downturn in different ways—as employees and employers, small business owners, entrepreneurs, mothers, carers, home owners and pensioners. In all parts of the country, women will feel the effect on them and their families. That is the human face of recession, and it is essential that we not only debate the issues, but take the right action to see people through it.

Mr. Hollobone: I thank my right hon. Friend for having the grace to give way, unlike the Leader of the House. I do not recall the Leader of the House mentioning women pensioners in her speech. Millions of lady pensioners—there are more women pensioners than male pensioners—will greet with alarm today's announcement that interest rates are being cut to half a per cent., and there will be real alarm and fear about their financial future.

Mrs. May: My hon. Friend makes a very important point, and I was keen to make the point early in my speech that it is not only in the workplace that recession hits women. It is too easy to focus just on that particular group. As he says, many elderly women—women pensioners—are suffering. Some are trying to supplement their income with that little bit of extra savings, and find their income severely reduced as a result of the interest rate falls. That is why I hope that in the Budget on 22 April, the Chancellor will take up our proposal to increase the older person's allowance and remove the tax on savings income for basic rate taxpayers.

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): I am sure that everyone in this House recognises that there are real issues for some pensioners with savings, on whom the fall in the interest rate has had an impact. Does the right hon. Lady agree that the introduction of the pension credit has been particularly important in helping women pensioners, as women are less likely to have built up a contributions record that gives them full pension entitlement? We need to recognise and celebrate the achievements of the pension credit, which has had a real impact on women's poverty.

Mrs. May: The pension credit would be better worth celebrating if the Government had not made claiming it so complicated that large numbers of people are simply not taking it up, and not getting the pension credit to which they are entitled.

When I looked at the Order Paper today, I was struck by the fact that the title of the debate has changed in the past few days. Last week, when the Leader of the House announced the debate, it was to be on "supporting women and families through the downturn and building a strong and fair economy for the future". That has now been reduced to "Support for women through the economic downturn and for the future." I wonder what has happened to "building a strong and fair economy for the future." I suspect that the words may have changed because the Government are not building a strong and fair economy for the future; they have not got to grips with how they will get us out of the mess of this recession. There has been a flurry of activity on the part of the Leader of the House, the Prime Minister, the Chancellor of the Exchequer and the Secretary of State for Business, Enterprise and Regulatory Reform, which has grabbed headlines but had no real effect. That "headless chicken" approach to policy making will not help women and families, or businesses.

Let us look at some of the initiatives announced by the Government that have not actually come to anything. The working capital scheme is still not operational. The internship scheme does not exist. Recruitment subsidies are not yet active. The guarantee scheme for asset-backed securities is non-existent, and the home owner mortgage support scheme, announced in December, is still not in place. As my hon. Friend the Member for Westbury (Dr. Murrison) pointed out, for some women who are running businesses, and some employees of businesses, it is essential that the Government get the loans guarantee scheme up and running if those businesses are to continue and to keep people in jobs. On the "Real help now for women" document, launched yesterday, I note that in the section on "Help to start or grow a business", no reference is made to the Government's loan guarantee scheme—because, I suspect, it is not yet in place.

The Secretary of State for Children, Schools and Families says that this will be the worst recession for 100 years, but the Government have not actually put anything in place to deal with it effectively. Later, I shall talk about our proposals to help women and families through the downturn and create a strong economy for the future, but first I want to touch on some of the ways in which this recession will have an impact on women that differs from other recessions. We know that the alarming unemployment figures are affecting families in all parts of the country, and there is certainly reason to believe that women will fare much worse in this recession than they did in previous ones. In the last recession, industries such as retail, hotels and catering, where women's jobs dominate, fared fairly well compared with manufacturing and construction, but this time it is clear that all sectors of the economy are being hit. That is shown in the fact that although men's redundancy rates remain higher than women's, the growth in the redundancy rate for women is double that of men.

The effects of redundancy can be particularly harsh on women, who tend to earn less anyway, and have fewer savings to fall back on. The Leader of the House referred to lone parents who are women; lone parents with children can be at particular risk of hardship, with evidence showing that women with dependent children are more likely than other women to be unemployed. The effect on a family of a woman becoming unemployed could be greater in this recession than in the past, because women's contributions to family income are now higher than they were. In a significant proportion of couple households, women contribute over 50 per cent. of family income. If their partner is made redundant, there will be additional pressure on women to stay in work, or to get back into the workplace.

[Mrs. May]

There is also a concern, raised at the summit held yesterday in No. 11—I congratulate the right hon. and learned Lady on getting into No. 11; perhaps next time she will make it into No. 10—that women's aspirations will be hit. They may pass up opportunities for promotion because of concerns that "last in, first out" arrangements might make it not worth their while to take up opportunities. So the recession will directly affect women in ways that previous ones never have. The immediate priority for the Government must be to take action to support businesses and prevent further dramatic rises in unemployment. That means that we need to get to the heart of the credit crunch and get credit moving again. With businesses threatened with closure every day, it is unforgivable that the Government have still not adopted our proposal for a national loan guarantee scheme of up to £50 billion.

The bank recapitalisation has not worked in getting credit moving, and companies now face huge problems because of a lack of working credit. If the Government are serious about helping women and men, they must guarantee loans to businesses, as we have proposed. It is by getting credit flowing that we will prevent the further rises in unemployment that families fear. There is much more that the Government could do to support families at this time. For example, why do they not adopt our plan to work with councils to freeze council tax for two years? What about reducing energy bills for millions of people by enabling them to set up direct debits through their Post Office card accounts? And what about giving savers the break to which I referred earlier, in response to the question by my hon. Friend the Member for Kettering (Mr. Hollobone)? That would be particularly useful to those many elderly women who are trying to eke out their income with that little bit extra from their savings.

There is one area where the Government could be doing more in a very practical way to help women, and that is in community learning, helping people who have been out of the labour market for a long time. Owing to Government cuts, there are now 1.4 million fewer publicly funded community learning courses than there were just four years ago, so there are over half a million fewer women in further education or skills training than in 2005—a far greater reduction compared with men, although they have also lost out.

Community learning offers an important, locally based route to training for those who have been away from the labour market, particularly women who have been out of work looking after a child and are now finding it harder to get back into the workplace. Of course, it also helps people across the board who have been made redundant. The courses offered can be particularly beneficial to women because they are flexible—for example, short courses in IT and other skills that are important in boosting somebody's employability. The Government should adopt our proposal for a £100 million community learning fund, paid for by refocusing the Train to Gain budget. Adult and community learning has immense social value and promotes social mobility, and now more than ever it needs greater support.

Looking to the future, women and families will be hit by the Government's plan to increase national insurance on everyone earning over £20,000—that is, were this Government to be in place after the next general election. That means higher taxes for every qualified nurse and police officer, not to mention the £2 billion that it will cost businesses. That will fundamentally undermine economic recovery at the very time when the Government talk about building the fair and strong economy to which the right hon. and learned Lady referred.

The Government boast of their "real help" for women, but there is nothing helpful or fair about temporary tax cuts followed by permanent tax rises, particularly not when those tax cuts are simply compensating for the disastrous abolition of the 10p tax rate, one of the singularly most unfair measures implemented by a British Government. The Government are on difficult ground when they speak of building a fair society. We will welcome measures that genuinely seek to build a stronger and fairer economy.

We look forward to the publication of the equality Bill, but it is nearly nine months since the right hon. and learned Lady came to the Dispatch Box to announce details of the Bill, and it still has not been published. I was interested to hear her responses both in business questions and earlier in the debate. In business questions she said that the Bill would be brought forward over the next few months. In response earlier in the debate, she said that it would be brought forward in a few months.

We see further delay in the equality Bill, which was the Government's flagship equality legislation promised in their 2005 manifesto. The Leader of the House is fast running out of time to get that on the statute book. It is hard to avoid the impression that, as the newspaper reports suggest, the Government are split on the issue. As soon as he was appointed, Lord Mandelson of Foy and Hartlepool let it be known that he would be delaying the Bill, and it looks very much as though he is winning the battle.

When, or if, the Bill is published, we will engage constructively with it. I welcome the opportunity that it will present to consolidate equality legislation, making things simpler for businesses and local authorities. But we need to be clear why, over recent years, equality has been given a bad name. To many people, equality has become about bureaucracy and box-ticking, getting in the way of business efficiency, particularly in small companies. Equality should never be the enemy of common sense, and it should not get in the way of businesses, but help them work better. So the equality Bill cannot be allowed simply to sweep existing equality legislation into a single pile, but must improve on what we have.

Philip Davies: Will my right hon. Friend give way?

Mrs. May: Something told me that at some stage my hon. Friend might want to intervene on me. If he will allow me to make my next point, I will allow him to intervene.

The point that I want to make is important, and I believe it is shared across the House. There are those who suggest that equality can be swept aside in a recession. My view is that equality is for all times, not just for the good times.

Philip Davies: My right hon. Friend said that certain things give equality a bad name. Does she agree that one of those is the fact that the Equality and Human

Rights Commission goes round lecturing all sorts of organisations about equality of pay and is given taxpayers' money to make sure that everyone is paid equally, yet the same organisation, the Equality and Human Rights Commission, pays men more than women, non-disabled people more than disabled people, and white people more then ethnic minorities? Is that not rather hypocritical of that organisation?

Mrs. May: I am grateful to my hon. Friend for the point that he makes. The EHRC needs to look at its own practices, as does Government in some of those areas. As my hon. Friend the Member for Forest of Dean (Mr. Harper) pointed out in business questions, the disability pay gap in the Government is significant—in some Departments, such as the Home Office, rising above 40 per cent.

John Bercow (Buckingham) (Con): I do not know whether my right hon. Friend heard that my hon. Friend the Member for Shipley (Philip Davies) also muttered sotto voce from a sedentary position that the delay in the publication of the equality Bill was to be welcomed. Although none of us could deny my hon. Friend the right to his view, does she agree that our hon. Friend suffers from the notable disadvantage of being wrong, and that the sooner the Bill is introduced, the better?

Mrs. May: I hope my hon. Friend will have noted, as I said, that we look forward to the equality Bill when it is published, and we have been chastising the Government for their failure to bring it forward earlier. I am concerned that it may not be on the statute book by the time of the next election. There are some measures that I hope we will see in that Bill—

Judy Mallaber (Amber Valley) (Lab): Will the right hon. Lady give way?

Mrs. May: I shall make a little more progress. Then if the hon. Lady still wishes to intervene, I shall give way to her.

For women, one issue of fairness is equal pay. I know that the Leader of the House shares my commitment to reducing the gender pay gap, which remains stubbornly high at over 17 per cent. Equal pay is not just something for women in the City, or in other highly paid industries. It is about ensuring that women at the bottom of the pay scale also have proper and fair protection—women who work hard to provide for their families, and some who may have the confidence to fight for fairness.

Back in 2007, I made a number of proposals that I believe will make a real difference. I even set up a Facebook group, Theresa May for Equal Pay, although as far as I am aware, the right hon. and learned Lady has not yet joined it.

John Bercow: It has a ring to it.

Mrs. May: I thank my hon. Friend. It does, indeed, trip off the tongue rather nicely.

It is perfectly reasonable to expect that where a company has been found guilty of discriminating on pay, it should have to conduct a compulsory pay audit. We do not argue in our proposals that all companies should face a pay audit—only those that have already been found guilty of breaking the law. I offered that as a policy to the right hon. and learned Lady two years ago when we first proposed it, but the Government have not done anything about it.

If the hon. Member for Amber Valley (Judy Mallaber) wishes to intervene, I will give way to her.

Judy Mallaber: I thank the right hon. Lady. I wanted to respond to her earlier comments, but my point is relevant to what she is now discussing. I know that she understands the complexities of dealing with the pay gap. Just as her party has found it difficult to bridge the gap in the numbers of men and women who are Members of Parliament, so a jibe at Government Departments and the EHRC, although we all want them to do more, reflects the difficulty that they are having in getting women and people with disabilities into more senior positions. That is what we need to deal with. Does the right hon. Lady agree that all political parties, particularly hers, are having similar difficulty in achieving equality between men and women as Members of Parliament? I am pleased that my party has gone rather further in that direction.

Mrs. May: I am happy to say to the hon. Lady that after the next election there will be a step change in the number of women Conservative Members of Parliament sitting in this House. The sadness for Parliament as a whole is that some of those women Conservative MPs will knock out sitting women Labour MPs, so Parliament as a whole may not see that big an increase, but we will certainly see a significantly increased number of Conservative women MPs sitting in the Chamber.

The hon. Lady is right that there is complexity in the gender pay gap issue, which is why the six-point plan that I published back in 2007 does not just focus on legislation, but relates to issues such as increasing flexible working, and also issues such as careers advice to girls, which is a particularly important element of ensuring that girls and young women understand the implications in pay terms of the careers choices that they make. Frustration about the Government's failure to do anything about this led my noble Friend Baroness Morris of Bolton to propose the Equal Pay and Flexible Working Bill in the House of Lords. In the Second Reading debate, the Minister for Economic Competitiveness and Small Business, Baroness Vadera, effectively said that there was no need for Baroness Morris's Bill because all the measures would be covered by the Government's equality Bill. I hope that when she speaks later, the Solicitor-General, who I understand will lead for the Government on the equality Bill, will confirm that all our proposals will feature in their Bill, and if not, outline exactly why the Government oppose them.

This is not just an issue of equality for women—it is about fairness for families, particularly those on low incomes. A TUC report last year found that tackling women's low pay is the key to ending child poverty, not least because half of poor children come from working families. One of the problems is that women with children who are seeking work generally want part-time or flexible working opportunities but find those difficult to come by. That is why the second half of our proposals on flexible working is so important.

I have welcomed the Government's proposal to expand the right to request flexible working to parents with children aged up to 16, although the proposal originally

[Mrs. May]

put forward by my right hon. Friend the Leader of the Opposition well over a year ago was to go up to 18. However, I welcome the fact that this April it will at least be extended to 16. It is important that we do all we can to help women with children into work once their children reach a suitable age. This is not just about highly paid professionals but about poorer families, because helping mothers into work will help to tackle poverty. Studies have shown that child poverty would be dramatically reduced if even a relatively small proportion of poorer single-earner families became dual-earner families.

Miss Julie Kirkbride (Bromsgrove) (Con): I was struck the other day by a report that suggested that since the introduction of the working tax credit there has been a significant increase in divorce among low-income families. That seems devastating in terms of what we need to do to keep families together, and therefore wealthier.

Mrs. May: My hon. Friend makes an extremely important point. I was struck by those figures, too. This of course reflects the "couple penalty" in the working tax credit system, which means that for some people it is financially beneficial to be separate rather than together as a couple. That is why I am deeply disappointed that the Government have not adopted our policy to remove that tax penalty for couples in the working tax credit system and improve the finances and incomes of a significant number of families in this country.

Ms Buck: Does the right hon. Lady accept that the much talked about "couple penalty" almost entirely ignores the issue of housing costs and the need for both households to set up and run their own homes? It is purely a tax and benefit calculation. All the evidence indicates that although women are particularly affected, generally speaking neither party benefits from the break-up of a relationship. To try to draw a causal link between a tax credit and family breakdown is deeply disingenuous.

Mrs. May: The hon. Lady's attempt to defend the Government's inability to do anything about this is not very convincing. It is not only the Conservative party that is drawing attention to the impact of working tax credits on separation and divorce among families. That is having a real effect out there on many families. Strong economies rely on strong societies, and we have a responsibility to ensure that we are doing what we can to help bolster families, not bringing in systems such as the working tax credit couple penalty that make it better for many families to be apart rather than together.

Another cause for concern is the fact that about 40 per cent. of parents spend only two hours or less with their child or children each day. That is a particularly important issue at a time of recession, when families face greater strains. Making Britain more family-friendly will strengthen our society, and in doing so strengthen our economy. Business leaders recognise that as well. Many businesses have already embraced flexible working, finding that it increases staff commitment, productivity and retention. On both equal pay and flexible working, it is a shame that the Government did not take sufficient action in the good times and are now playing catch-up during a recession. We should have gone into the downturn with families in a far better position to benefit from flexible working and with more women getting the equal pay they deserve. That opportunity was missed, but we must now ensure that when we come out of recession we do so with more family-friendly business practices operating in a stronger, fairer and more family-friendly economy.

An economic downturn can obviously have serious effects on issues relating to the economy and the finances of a family, but it can go beyond the merely financial. At the women's summit yesterday, one subject discussed was the impact on domestic violence. The Home Secretary and the Attorney-General have warned that at a time of recession, with pressures on families, we may see an increase in domestic violence. This is not an area for party politics, but I hope that Ministers have had a chance to read the paper that I published just before Christmas on ending violence against women, which makes several genuinely helpful proposals on domestic violence and other forms of violence against women. The Government have done some good work in this area; they introduced legislation in 2004 and the specialist domestic violence courts are a real step forward, but there is much more to do.

I have been calling for some considerable time, as has my right hon. Friend the Leader of the Opposition, for a cross-Government strategy on violence against women, and I welcome the fact that the Government have now said they will implement one. However, I hope it will have a particular focus on prevention. As the Home Affairs Committee said last year, the Government's current approach

"remains disproportionately focused on criminal justice responses at the expense of prevention".

That is mirrored by services on the ground. Eaves Women's Aid in Barking and Dagenham has said that it is

"concerned that the government is channelling resources entirely through the Criminal Justice System"

and therefore

"not really supporting the work done by specialist service providers such as ourselves."

There needs to be a rebalancing of policy towards prevention, working with schools, police, health care professions and the voluntary sector. I very much look forward to more being done on this.

The Solicitor-General (Vera Baird): The right hon. Lady says that there is a need to bring forward concerns about domestic violence and violence generally. That is a very important point. It has taken 20 or 30 years to get domestic violence treated properly by the criminal justice system as an offence, and we are still labouring to get rape dealt with properly as an offence. We must not take any pressure off achieving that end, because that is how we make it very clear that society will not tolerate it and men will be punished if they do it. Any rebalancing, as she put it, of that in favour of prevention would be a disaster; we have to do both.

Mrs. May: I am grateful to the hon. and learned Lady for her intervention. She is right that there are still areas of the criminal justice system that we need to focus on. She refers to rape; I personally think that there is also a need to look again at stalking, including the legislation on it and attitudes that are taken towards it. All too often, it is not viewed as seriously as it needs

to be. As we saw from the quotes that I just cited, the problem is that so far the Government have focused solely on the criminal justice system. We need to ensure that we are doing the preventive work to ensure that we do not have so much need to use the criminal justice system because we are preventing incidents of violence against women.

As we look forward to international women's day, there are many other issues affecting women that we will not be able to touch on in this debate. I hope that in future we can return to important issues such as the role of women in international development and conflict resolution. I am sure that the whole House would also join me in wanting at this time to pay tribute to the many women members of the armed forces, who face particular challenges and deserve our continued gratitude for their dedicated service.

It is clear that women and their families are likely to be hit by this recession in a way that they never have been previously. The wide reach of the downturn means that many families today are struggling or fearing for their future. The Government have not done enough to help them. By adopting our plans to support businesses, and our fully funded tax cuts for families, the Government can still achieve their aim of helping women and families through the recession. But when the recovery does come, it must be built on fiscal responsibility, modern workplaces, and lower taxes that last; only then will we see the stronger and fairer economy that we all seek.

1.9 pm

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): I am grateful for the opportunity to speak in this debate. I would like to spend a few minutes talking about child care, and its importance in helping families, and particularly women, through the economic downturn. I have concerns about modifications we may need to make to the child care strategy.

Before I do so, however, I would like to mention two issues, one of which has come up already in today's debate. I was sorry that the right hon. Member for Maidenhead (Mrs. May) was so dismissive of the achievements made in respect of the pension credit because I am proud of the contribution that pension credit has made to families, particularly to women and pensioner couples, in a constituency such as mine. The last time I looked at the figures, I think that we had around 7,000 households in receipt of pension credit, with an average payment £70 a week on top of the old income support level. It has been hugely important in helping women, and as I said in my earlier intervention, women have benefited most because they did not have that full contributions record.

It is of course true that any means-tested benefit will put some people off making an application, especially those who would get only a small benefit from an application. Any means-tested benefit involves a taper, and people at the narrowest end of that will not think that an application is worth their while. There is no real evidence to suggest that any underclaiming of pension credit occurs among those whose income would benefit substantially. Indeed, all the evidence suggests that those who are not claiming are those who would receive only a small amount of money.

Ms Dari Taylor: I was quite shocked by the statement of the right hon. Member for Maidenhead (Mrs. May) because the work and pensions people in Stockton, South most certainly will go out and speak to any pensioner who is finding the form complicated or difficult, and will ensure that that lady or gentleman fills it in and gets her or his full entitlement.

Ms Buck: That is right, and I am sure that that experience is replicated elsewhere. I pay tribute to Age Concern in Westminster, which has outreach workers who work with pensioners and help them to complete those forms.

Another thing that the Government have done in recent years that I am also pleased about is ensure that there is a better read-across between different types of benefit so that pensioners and other claimants do not have to go through a multiple process of claiming if they are entitled to more than one benefit. We should be pleased with the pension credit, and we should also aim to do more to raise awareness of claims for council tax benefit, which is the single most underclaimed benefit of those means-tested benefits. There is much that we could do to improve the delivery of council tax benefit for the good of pensioners and other low-income households, and I would like to see more work on that. In fact, I would like to see more emphasis on that benefit entitlement than on the freezing of council tax, because higher earners and those with higher value properties need to make a contribution to council tax in order to protect services for the most vulnerable.

Families—particularly women—who are disproportionately over-represented among low earners are at risk of falling into debt as their earnings fall, or as they fall out of employment. Enormously valuable work has been done by advice agencies and debt agencies across the country to help families, and as the chair of the all-party parliamentary group on Citizens Advice, I would like to pay huge tribute to the work of Citizens Advice in this respect. The great concern is that, if debt levels rise, some families will fall into a downward spiral of debt that is exacerbated by the actions of debt recovery agencies and bailiffs.

My local authority has one of the highest rates of use of bailiffs in the country, and I would like to share with the House the most disturbing experience of a constituent who came to see me yesterday. Unfortunately, I fear that it will be symptomatic of what goes on, and the Government and local authorities across the country need to take more action. The lady who came to see me is a single parent with two children. She is in part-time employment and earns about £500 a month, with tax credit on top of that. She had a long-term overpayment of council tax benefit in the early part of this decade, and ended up with a £3,000 overpayment. The bailiffs came to her to take recovery action, and she was asked to pay £100 a month on top of her current council tax payments, out of a total income of about £1,000 a month. That is utterly unsustainable.

Naturally enough, my constituent fell into difficulty. More worryingly, the later years of council tax benefit, all of which are treated as an individual debt, were passed on to a second bailiffs agency, which is pursuing her separately for further claims of the overpayment. She is in huge distress, but perhaps most worryingly of all, her 14-year-old son is so worried about the bailiffs' action and threats that they had made about the recovery

[Ms Buck]

of property, that he is unwilling to leave the house outside of school because he fears being confronted on the doorstep by bailiffs seeking to get into the house. The mother told me, with tears pouring down her face, that he sits with the lights turned off in the winter because he is terrified that the bailiffs, knowing that there is somebody in the house, will come in and repossess his computer.

Lynne Featherstone (Hornsey and Wood Green) (LD): I have heard of similar experiences. It is heartbreaking and terrifying that the debt is transferred to the bailiffs so quickly, because they are relentless, and impose extra charges that deepen the debt. Does the hon. Lady agree that the local authority—in my case, Haringey—should be far more willing to sit down with the person in debt to reschedule it? People are willing to pay off such debt over time and should not be forced to deal with bailiffs immediately because the council does not have time for people in trouble.

Ms Buck: I totally agree with that. Bailiffs should very much be a last resort. Sometimes their use will be necessary; there will be those who deliberately and persistently refuse to pay their debts, and I understand that they have to be pursued. But the use of bailiffs should be a last resort because, as the hon. Lady pointed out, the charges of the bailiffs and for court fees are added to the original debt, simply compounding the family's financial crisis. As we face what will tragically be an increase in the level of debt over the course of the global economic downturn, we must, at government and at local authority level, consider a more pragmatic and supportive way of dealing with families—disproportionately, but not only, women—who find themselves in debt. If there is anything that Ministers can do to advise local authorities on a better responsive use of bailiffs for debt recovery, I would appreciate it.

In recent years, the Government have brought about a transformation in the provision of child care. Such provision has acted to help to underpin the increase in women's entry to the workplace, particularly and obviously lone-parental entry, because, in many cases, that could not have happened without quality, affordable child care. Those two things go hand in hand. Over the past decade, as the national child care strategy has been rolled out, we have seen a £25 billion investment in child care, and the provision of 1.3 million registered child care places, as compared with provision in 1997.

At the core of this process has been the offer of a free child care place for three and four-year-olds, which has a take-up rate of about 95 per cent. That is obviously indicative of the desire among parents for their children to go into child care. The Conservative Government before 1997 chose to leave child care to the marketplace, arguing that parents should be able to buy into it if only they had the resources. We, rightly, utterly rejected that view, saying that child care should be made available more widely as a realistic choice, particularly for low income families. I have been gratified in the past two or three years to see the greater responsiveness in Government strategy to some of the problems experienced in places such as my own constituency in London, where the provision of child care is exceptionally expensive, and where the funding that the Department for Children, Schools and Families has put into the London child care affordability programme has made a lot of difference. For example, we are considering the contribution that parents have to make in the child care tax credits system, and the gap is going to be closed. The contribution that people have been asked to make towards the high cost of child care has been a deterrent, and the changes have been enormously responsive and made a great deal of difference to child care in my constituency.

Miss Kirkbride: I believe that it would be fair to the last Conservative Government to point out that they introduced the national kids' clubs network, which has been highly successful and built on by the current Government.

Ms Buck: I do not believe that anyone with any sense would say that no provision existed before 1997. We should have some maturity in a political debate, and that is clearly the case. I acknowledge that, and I do so gracefully—I did not mean to sound surly—but will the hon. Lady respond equally gracefully to the fact that this Government have created 1.3 million child care places with a £25 billion investment? If so, perhaps she will place that on record.

Miss Kirkbride: I am sure that the hon. Lady's figures are correct, and that those places have been provided. However, I might take issue with calling it an investment, because the money has been spent.

Ms Buck: The commitment to the expansion of child care has been made and delivered on, and the child care landscape is utterly transformed. That is the most important point.

In addition to the provision of pre-school places for two and three-year-olds and child care places for the children of working parents, as part of an early intervention strategy there has been the unfolding of children's centres and Sure Start, which did not exist before 1997. I am pleased to say that next week, I will help to open yet another children's centre in the network in my constituency. They are doing extraordinarily important outreach work, particularly for the most disadvantaged families. They are providing parental support and education and an important early years experience for children. All those things have been put in place, and the extended schools service has been rolled out. It has built upon and dramatically expanded the kids' club provision that was previously in place, so that there is provision out of school hours and in the holidays. Of course, maternity leave has also been extended.

Those things have been important because, as I have said, they have enabled a significant increase of the proportion of women, and particularly of lone parents, getting into the work force. They have represented a response to the problems of inequality in our society, which have been well captured in the Government's social mobility White Paper. We know that when an inequality gap starts in the case of children under five, it cannot be closed through investment at later stages in their education. It is in those early years that the seeds of social inequality are sown and that we can do much to close the inequality gap.

There is a danger that we sometimes talk about child care in a slightly instrumental way, mentioning only employment and economic inequality. Most importantly, however, quality child care is an enriching experience for children. The enrichment of children, not parents, employment or anything else, has to be at the heart of our considerations. Seeing children play in a quality child care setting is one of the most delightful things that any of us can experience, and many children have been benefiting from what we have been able to do, and particularly from the expansion of recent years. The Government should be more proud of that than of anything else that we have done.

Julie Morgan (Cardiff, North) (Lab): I am enjoying my hon. Friend's contribution very much. I certainly agree that we have made huge steps forward in the provision of child care, but in my constituency and in Wales as a whole, most child care is still informal care by relatives, grandparents or friends. Does she feel that any acknowledgment should be made of such care?

Ms Buck: That is a difficult one. I totally agree that we will all want to honour the contribution that family and friends make to parents with children. My own mother has been the principal carer for my son in his early years. That is certainly important, but I am less sure about whether we should roll out a financial reward for such contributions. There would be a phenomenal expense attached to that, and there would be a number of risks to formalising a payment system for informal care. Personally, I believe that rather than build such a formal structure, one of the best options is to allow families, and particularly women and lone parents who draw upon informal care, to achieve a certain earnings level through equal pay and the ability to go into the workplace. That will allow them to make a personal contribution. The debate will continue for many years to come.

Mrs. Maria Miller: I know that the hon. Lady is speaking with conviction about the importance of quality child care, about which I fundamentally agree with her. I have also heard her speak powerfully about the importance of affordable child care. In a recent Westminster Hall debate, she cited the fact that only one in 10 eligible families in her constituency had access to the child care element of the working tax credit. Did she share my concern when the Minister who responded to the debate, the Financial Secretary to the Treasury, said that there were no clear data on the take-up of that credit, and that extra work was needed on that? Surely that should have a been a higher priority for the Treasury.

Ms Buck: I was about to come to that matter, and the mere fact that I raised it in a Westminster Hall debate shows that I am not wholly satisfied with the operation of the child care tax credit. However, it must be said that in comparison with the years before 1997, considerably more money has been made available to many more people. If we acknowledge that, we can evaluate Government programmes and say honestly that some work better than others. In my view, the child care tax credit does not work terribly well. I shall return to that point in a moment.

I wish to get to the heart of the Government's response to the economic downturn in respect of child care. We need to be aware that there will be some fall-out in child care services, and we are already beginning to pick up on that anecdotally. The single biggest concern is that women—I focus on women for the purpose of the debate—risk having their earnings reduced, perhaps as their hours are reduced. Worst of all, they risk losing their jobs, and those who rely on paid-for child care will find their child care arrangements undermined. Child care businesses, which often work on a tight margin, will frequently be unable to keep places open for parents who can no longer make their contributions. There must be an early evaluation of the impact of the downturn in employment on child care provision.

I believe that we would all recognise—certainly all of us who are parents would recognise it above all—that the very last thing that someone wants, if they are in employment and have a child with a childminder or in a nursery, is for that provision to be disrupted. Children do not thrive on instability, and we need to ensure that parents who already have the trauma of a reduced income or a lost job do not have to go through the further trauma of pulling their child out of a child care setting. Tragically, that is almost certainly what will happen. That is not the Government's fault, it is simply an obvious consequence of the business transaction that people undertake for paid-for child care. As the number of people affected is likely to rise, at least for a while longer, we need urgently to consider whether anything more can be done in the short term to improve run-on provision. That would bridge a gap in child care and could prevent a child from having to be pulled out of a child care setting in mid-term or at short notice.

The situation will be worst of all for the many people who lose a job but then find alternative employment quite soon afterwards. They will have to go through all the difficulty of finding alternative child care settings, and perhaps finding the deposit that many have to pay. They will therefore have to go through a number of experiences with their children before they can find stability again.

Mrs. Miller: The hon. Lady says that she is providing anecdotal evidence of the impact of the recession on child care. I would urge her to look at the information that is being provided by the National Day Nurseries Association, the Day Care Trust and many other organisations, as that shows that what she is saying is already happening. Indeed, the NDNA said recently that four in 10 nurseries were experiencing bad debt, and that half of all nurseries were already reporting a noticeable change in child care arrangements, so perhaps the evidence is not just anecdotal.

Ms Buck: My own experience has been of anecdotal evidence, but I am aware that statistics are beginning to emerge that will confirm this. The hon. Lady has cited statistics from the businesses—the child care providers—and that also raises an issue. We do not want to see child care providers going out of business, because it would be hard for the Government to help them to recover as the recession ends.

Of all the tax credit overpayment problems that people experience, child tax credit overpayments are the biggest problem and involve the largest amount of money. If people lose their job and subsequently find that they have already received the child care element of their tax credit and have to repay it, we will see more people having difficulties. That needs to be reviewed very quickly.

[Ms Buck]

We need to deal with these important short-term issues relating to child care, but they do not in any way detract from the Government's achievements in early-years investment. Also, over the longer term, we need to recognise that it continues to be difficult to secure affordable child care in the most expensive parts of the country. That sometimes applies to isolated rural areas, and it certainly applies in the inner cities. The child care affordability programme has gone a long way towards rectifying that, but it is a renewable programme, and we need to make sure that it continues.

Of all the achievements in child care, the one that needs to be built on most solidly is the delivery of care for older children. The number of places in out-of-school and holiday provision has increased, but it has not increased at anything like the same rate as the early-years provision, yet it is frequently the older children in late primary school and the early years of secondary school who need to be occupied after school hours and in school holidays. Where the schools, the councils and, indeed, the Government are encouraging those services to be built using a charging policy, under which those who can afford to contribute do so, we run a real risk that the services will be developed least in the areas that need them most. If that was true while the economy was incredibly strong a year ago, it is particularly true now as we go through a downturn. We do not want to see a return to a generation of latch-key children, and provision for that older group is critical. We have gone some way towards delivering it, but not as far as we should have done.

We have delivered for women in terms of child care through this Government, and we should be enormously proud of that. We have transformed the landscape in the past 10 years, but there are specific, practical problems that need to be resolved if we are to ensure that child care continues to deliver for women during the downturn.

1.33 pm

Lynne Featherstone (Hornsey and Wood Green) (LD): Yesterday, as the Minister for Women and Equality said, the Government hosted a group of women to discuss women and the recession. It was a tremendously informative and worthwhile debate, with an amazing group of women, and I should love to see them all here today. It was made clear in that debate that, in a recession, women might choose to stop doing their high-paying job because they can no longer afford the child care as their hours are reduced. They then go back into their homes. The hon. Member for Regent's Park and Kensington, North (Ms Buck) has just made that point as well.

At the other end of the scale, women who do not have high-paying jobs and who have no resilience to the recession, because they have no fall-back position and no savings with which to pay for anything, can fall into dreadful debt. Many people who have come to my surgery tell me that the bailiffs have been called in very rapidly, and that the council has refused even to meet them to consider rescheduling their council tax or rent arrears. Perhaps the Government and local authorities could take action to relieve the pressure on those who have no ability to deal with sudden debt. They have no way to recover, let alone deal with the compounding debt that results from the bailiffs becoming involved.

Women also need information on where to acquire skills and learning during the recession, and, as the right hon. Member for Maidenhead (Mrs. May) said, the increase in women's vulnerability to domestic violence is a key issue. It is also clear that we do not yet have hard evidence in the form of data on the differential impacts that the recession will have on women. In order to prevent any further comments from the hon. Member for Shipley (Philip Davies)—who is actually no longer in his place—it might be helpful to pull in the statistical data from all the various sources, so that we have the evidence to prove the worse, and differential, impact of a recession on women. Otherwise, we shall get into a pointless competition over who has it worse during an economic slowdown. We need to guard against creating resentment in other quarters, not least among the thousands of men who are going to be victims of the downturn. There is a lot of pain going around, and no one group has a monopoly on suffering as a result of the fallout from a recession.

There are aspects to this recession that make it a unique situation in which women find themselves for the first time, so it is right for the House to consider, in marking international women's day, whether the Government are doing enough to help the women and families who are going to suffer the consequences of the recession. There are now more women in paid employment than ever before, apart from during the world wars. There is no place in this debate to argue for preferential treatment for women, but our purpose today must be to ensure that women get their fair share and do not get left behind or suffer disproportionately from the recession or from further discrimination.

To understand fully the problems that women now face, we cannot ignore the position that women found themselves in before the contraction of the economy. It is important to acknowledge—recession or no recession—that women face greater hurdles in employment than men. Equal pay is a key issue for me. The preamble of the Equal Pay Act 1970 says that the purpose of the Act is to

"prevent discrimination, as regards terms and conditions of employment, between men and women."

Yet the Office for National Statistics' earnings survey spells out the reality in simple terms. In 2008, the average full-time wage for a man was £27,500; for a woman, it was £21,400. The gap has been reduced over the years, but it still needs much further reduction. It has been suggested, however, that there is no point in squabbling about equal pay if there are no jobs in which to be paid unequally.

Women in the service sector, and particularly the retail sector, are going to feel the most devastating effects of the recession. A recent CBI service sector survey revealed that jobs are being lost at the fastest rate in over a decade. That shrinking is putting in jeopardy the one employment sector that is significantly more amenable to the domestic situation of women than other sectors, because of flexible, part-time working. With the retail sector in decline, we should be particularly worried about the effect on employment for women. The work might not always be glamorous, skilled or particularly well paid, but it is practical for mothers.

There are two issues relating to flexible, part-time working that need to be tackled. One relates to educating employers at the other end of the spectrum from the retail sector about employing part-time staff. Such employment is often regarded as suitable only to the retail sector, and employers often fear that it will be more costly to employ people on a part-time basis. I am sure that other hon. Members will have come across an organisation called Women Like Us, whose members go to the school gates and deal with one half of the issue by giving women who have had a career break the confidence, through hand-holding and skills training, to get back into work—part time to start with. The other half of their really important work is to demonstrate to employers at all levels of women's employment that it is not more expensive to employ people part time, and that it is beneficial to their companies. If we can get companies to spread that best practice, there will be more opportunities for women in part-time work right across the spectrum of the working world.

We can always argue about the quality of work—I spent a fair time myself washing up, serving in shops and table waiting—and we can talk about the burden of child care, as the hon. Member for Regent's Park and Kensington, North did so eloquently, but given the urgency of the situation, one of my concerns is what is done in an emergency or crisis and where the Government put their money. It would be tragic if the high level of female employment and the advances made on equality were swept away by the recession.

Without going into the issue in a long-winded way, one must say that whatever the business model of Woolworths—it may not have been the most likely to survive in any case, in the face of increased competition from the internet and the way in which the world has generally gone—we could equally criticise the business model of certain car manufacturers that relied on endless supplies of unsustainable credit and allowed consumers to keep buying cars that they could not afford. The key difference between those sectors is that one is to receive Government money and the other is not.

We should, of course, consider the economic benefits on a case-by-case basis, but will the Minister tell me in winding up the debate whether any consideration was given—and if so, what—to the equality impact of the decision collectively to subsidise some industries as opposed to others? I would be grateful if she confirmed whether an equality impact assessment was done? It is my understanding that, under current equality legislation, there is a duty on the Treasury and the Department for Business, Enterprise and Regulatory Reform to carry out such assessments in respect of any substantive policy change. It would be dreadful if money were used that ultimately turned out to be discriminatory as an unintended consequence. These are important checks and balances to ensure that women and minorities are not ignored or suffer disproportionate detriment in the decision-making process. The mere fact decisions have to be made quickly in a crisis should not be an excuse for processes to be abandoned completely.

I shall now deal with maternity benefits—the risks posed for business, but more importantly, for women. We have to recognise that employers face unprecedented challenges in maintaining the viability of their businesses during an economic downturn. It is difficult to find exact figures, but maternity leave is a significant employment cost, particularly for good employers who pay above the statutory minimum. As employers try to squeeze their costs down, it is not hard to imagine that firms offering maternity pay plus benefits will begin to reduce such benefits.

That is an open and legitimate process. If an offer is made to women not to come back to work after maternity leave and instead to receive some redundancy package, it is reasonable to assume that some will exit themselves from the workplace. They will then face even greater barriers getting back into work in a few years' time. Those who choose to stay in work rather than be persuaded out of it, and whose maternity benefit is reduced to the statutory minimum, will have to manage on a very low amount. The statutory minimum is £117.18, although most women receive on average £400 a week—a substantial difference. I refer only to companies that are legally allowed to act in that; there are probably darker consequences for women's employment.

Angela Watkinson (Upminster) (Con): Does the hon. Lady agree that there is also a danger that in the recruitment process employers may favour applicants with no children? In an economic downturn, when employers are worried about the costs that she describes, there will be a disadvantageous effect on anybody with children who applies for a job.

Lynne Featherstone: The hon. Lady makes a very good point, which I was about to make. I was talking about the legal reductions that employers can make, but when we get on to interviews and the choices employers make, a young woman of child-bearing age is very likely not to be offered the job. That is true in any case. According to the Equal Opportunities Commission—before it became the Equality and Human Rights Commission—in 2005, 30,000 women a year were being sacked for being pregnant. More recently, Nicola Brewer, the chief executive of the EHRC, said that women were not being employed for the very reason that the hon. Lady states—that it was better for employers not to employ such women, which might mean opening themselves to problems and the risk of further costs. If it is bad now, we can expect that women will find it harder and harder to get jobs as the recession bites.

Miss Kirkbride: The hon. Lady might be interested to hear what a friend of mine in the banking world told me. While banks are looking for redundancies, especially at the top end of their staff, women have sometimes been asked to leave before men because the men were deemed to be the principal breadwinners and the women had husbands to look after them.

Lynne Featherstone: I thank the hon. Lady—no, I do not thank her, as that is a depressing scenario, which I fear is still too prevalent in the wider world. One might have hoped that we had moved on from that, but apparently we have not.

Mr. Mark Harper (Forest of Dean) (Con): In the light of the hon. Lady's response to my hon. Friend the Member for Bromsgrove (Miss Kirkbride), she might be interested to know that research published by the Government Equalities Office shows that that view is widespread: 72 per cent. of men and 72 per cent. of women think it important that family breadwinners' jobs are preserved first when organisations are thinking about who to make redundant.

Lynne Featherstone: The hon. Gentleman makes a very good case to demonstrate the importance of equal pay and the Equal Pay Act 1970—that more often than not the principal breadwinner would not be the man; perhaps some of those somewhat old-fashioned values could be left a long way behind.

I started by talking about yesterday's wonderful event at No. 11 Downing street, the prime intention of which, so far as I can gather, was to raise women's voices and concerns about the economic downturn with the G20. I say to the Minister that it is equally important that those voices find a resonance and outcome in the equality Bill. I have some concerns about what may be proposed on equal pay, because the differential is still severe. Although the Government are genuinely seeking to make what employers will or will not have to show open and transparent, there will still be a differential between Liberal Democrat and Labour Members on mandatory and voluntary pay audits. There is the further problem that, irrespective of whether those audits are mandatory or voluntary, merely watching something is not enough.

I recently referred Cambridge university to the Equality and Human Rights Commission because it voluntarily published its pay differentials. I believe that the differential between male and female pay is about 32 per cent. It is not enough to have the bare statistics; in the end, we have to drill down to find out the whys and wherefores—what is historic, what is discriminatory, what is rational and so forth. On finding discrimination, we need to know what will be consequent upon that finding. I am anxious that the equality Bill, in its treatment of equal pay, does not simply add a process or a tick box. Such an approach has come into disrepute; too often, the equalities and the environmental impacts of reports that go through various committees or agencies are an afterthought—or just a tick-box. They must have real meaning; equal pay is just such an issue.

I am concerned about the ominous rumblings coming from Lord Mandelson, which the right hon. Member for Maidenhead (Mrs. May) also referred to. The trade press and the right-wing press have been littered recently with scare stories: I do not know that they emanate from Lord Mandelson, but I believe that some of them may well do, as he was quoted in some. These scare stories are vilifying various parts of the Bill. If Lord Mandelson seems to be stepping in as the white knight, saving business, it is dangerous and a false dichotomy to pit equalities against the need of the economy. The needs of those who face discrimination do not stop where the needs of British businesses begin.

I read reports of a confidential memo from the Chancellor and the Secretary of State for Business, Enterprise and Regulatory Reform—confidential enough to be shared with *The Times* and Ministers—that asked them to

"advise on a moratorium on legislation and legislative announcements made but not yet implemented that will entail additional costs for businesses".

The tone of those briefings to the right-wing press and the business lobby seems to indicate that companies that continue to discriminate will have absolutely nothing to fear from the forthçoming Bill and the equalities legislation.

My sense is that those in the Cabinet who share my sense of urgency about the need for greater action on inequality are fighting against the tide. I am not naive enough to argue that there will be no cost to legislation to tackle equality, but the Government have to have the courage of their convictions, and their own statistics on costs bear out the plain economic sense of tackling that inequality.

The Government Equalities Office estimates in its initial impact assessment—the detailed cost-benefit analysis—that the maximum one-off costs of the Bill will be £221 million. That is the up-front cost to Britain of the new equality regulations.

Mrs. Theresa Villiers (Chipping Barnet) (Con): I am sure the hon. Lady agrees that all of us in the House, especially those who are interested enough in the issue to attend today's debate, need to go out and make the case for equalities rules and the benefits that they can confer on employers. Yes, as she says, there will be costs that have to be taken into consideration, but, for example, the benefits of introducing flexible working can be clear in increased productivity from a work force who are happier and better able to care for their children.

Lynne Featherstone: Yes, I agree totally with the hon. Lady. We have a huge selling job to do here—cross-party—on the benefits to employers of having a diverse and flexible work force, rather than the traditional one that we have always had. We must consider the benefits of home working, conferencing and all sorts of things that can be done that would be money saving. They are the benefits, but the way they are portrayed to business and the media sabre rattling scare business off. We meet that attitude wherever we go, so I thank her for raising that point.

I was doing a little bit on the sums, and £53 million of the up-front costs could be offset by the maximum estimates of immediate benefits. That would leave £168 million. The one-off costs apart, the range of the annual recurring benefit—continued, as has been said—is estimated to be between £122 million and £165 million against a recurring annual cost of £24 million to £53 million. Taking the mid point, for the sake of argument, that would mean about £143.5 million of benefits versus £38.5 million recurring annual costs of the new legislation. That works out as a net benefit of £105 million for every single year the legislation is in force. At that rate of return, it would take just over 19 months to recoup the initial cost of the legislation. The argument is completely specious. We have to go out there and make it, and not let the Government back down, because the legislation is not expensive. I would argue that we cannot afford not to introduce it.

There is no doubt that business is hurting and hostile, but one reason for that might be how the Bill has come forward. I do not know how much discussion the Government have had with business, because there has not been a Green Paper or a White Paper; nor do we know what is coming in the final draft. It is hard to have these discussions. I met the Institute of Directors yesterday. I do not think that it is totally at one with the Bill, but it is more frightened because it does not know what is going to be in it. Indeed, we do not know what is going to be in it. The way to have good legislation is to introduce a Green Paper and a White Paper, and to allay those legitimate fears of business.

The Solicitor-General: We did, of course. The hon. Lady must have seen the extensive consultation, which went on over years, and the consultation document that

summed up what we were going to do and tried to achieve a consensus. In the past six months, two documents have set out how business and other stakeholders reacted. There has been a pretty extensive consultation and a great deal of this has an element of consensus around it. Business is fairly chequered in its response, although up in the north-east there have been some pretty positive responses on the basis that she has set out—it is understandable that there is no clash and that there is a benefit involved.

We have consulted pretty extensively, but—this is probably more to the point—as we have gone along we have consistently been in touch with stakeholders. We have meetings practically weekly with stakeholders, either in a group or bilaterally when they have particular concerns. The hon. Lady does not need to worry about that and we look forward to sharing the Bill with hon. Ladies on the Opposition Benches when it is ready.

Lynne Featherstone: I thank the hon. and learned Lady for that intervention. Perhaps I have gained a false impression because of the lack of information coming my way.

As I bring my remarks to a close, I want to outline the potential for a fairer economy emerging from this recession. I have highlighted some of the flashpoints for women where there are risks. It is a real and present danger that the hard-fought-for equality that everyone has worked so hard for—we have many hopes for the Bill—might be eroded if more is not done to shelter those freedoms from an economic storm.

Many hon. Members wish to speak, so I shall not dwell on this point. I do not want to use the word "opportunity" because that is not what a recession is; it is devastating for those who suffer a direct strike. A more apt metaphor would be to make the best out of a bad job. Throughout history, the responses to economic turmoil have led to profound social upheaval—some good, some bad. There is a complete contrast between what happened in America under Franklin D. Roosevelt and the new deal, which is the model I hope we will follow, and what happened in pre-war Germany.

The Prime Minister has made much of his crusade to rewrite the rule books of international financial markets, but he has not said much about the opportunity to rewrite the equalities rule book. The Government have become the insurer of last resort to a wide range of major commercial sector industries, not least the financial industry. As they are now beholden to the taxpayer, it would be reasonable for the Government to make some modest demands in return, given that we have this wedge into the private sector, when normally we are not allowed to stick our noses in so far. The priority must remain re-establishing the financial health of those companies and achieving proper functioning of the credit markets, so surely, in the meantime, we should use the opportunity of owning chunks of the private sector to look under the bonnet and see what we need to see about the inequality that festers there.

We should consider the boards of banks, for example. I do not think that they are particularly diverse. It would be interesting to look beneath that and to find out what the challenges are to the private sector and how diversity could be improved in those hidden places.

Mr. Harper: The hon. Lady is speaking as if the public sector has an unparalleled reputation in appointing women to senior posts. To be fair, the Government have made that a priority, but I understand that the percentage of senior public appointments held by women has barely moved in 10 years, despite a great deal of effort from the Government.

Lynne Featherstone: I agree with the hon. Gentleman—a plague on both their houses on that one—but I am talking about the private sector. If one looks at the Treasury, one might find that most of the top civil servants are of one gender. I am talking about the opportunity that we do not usually get. The single equality duty will apply to the public sector. The private sector and the 80 per cent. of people who are employed by it will not be adequately covered by the protections of the equality Bill in the way the public sector will be, but I am simply saying that while we have the opportunity presented by nationalised or part-nationalised banks, as well as being busy sending in the auditors and the actuaries to work out how to strip certain directors of their pensions and to look at all the stuff that is going on, I hope that the Government Equalities Office will be sending in its own experts to benefit from this unique experience and understand what has been going on with equalities in those industries, as the Minister for Women and Equality, who is no longer in her place, said.

As was said in the group discussion that I attended yesterday, some believe that, had women been more plentiful in the boardrooms of banks—

Angela Watkinson: Is the hon. Lady aware that as recently as the 1960s, any woman who worked in a bank was regarded as temporary staff, even if she remained there throughout her working life and never married?

Lynne Featherstone: My goodness! I did not know that it was as bad as that. How far have we moved on, I wonder?

Yesterday, the view was expressed that had there been more women at senior levels in banks making decisions about investment—I do not want to be too sexist or pejorative, but women and men may have different approaches to risk management—some of the gambles that were taken might not have been taken in such a macho way, given that, broadly speaking, women are more risk-averse than men. By saying that, I may have opened myself up to all sorts of comments.

Anne Main (St. Albans) (Con): The hon. Lady has made an interesting point, but may I caution her, as a mum who looks at her elder son and thinks "What he needs is a girlfriend to civilise him"? Mothers are known to say such things, but I say them in jest. I should hate to think that women are there to exert a civilising and controlling effect on men. We are there as equals.

Lynne Featherstone: I take the hon. Lady's point. We are equals. However, conflict resolution is an issue, and that may include bank boardroom conflict resolution. I should like to think that I am as able to negotiate and understand risk as anyone else, but I would argue that the absence of women creates a different dynamic in the boardroom. Indeed, we might find that there have been leaders of this country who have been dynamic in a way that I might not describe as wonderful.

[Lynne Featherstone]

Perhaps we have been granted an opportunity by our glimpse into the recesses of a private sector featuring the biggest pay gap between male and female staff, along with a huge discrepancy between the numbers of men and women employed in the top jobs: an opportunity to send the Government Equalities Office away to deal with those problems. We need to find whatever positive aspects we can, given the dire circumstances in which women are likely to find themselves. We cannot allow the advances of recent decades to be so easily washed away. We have experienced 11 years of fat—11 years of consecutive growth—but women clearly failed to share the benefits of those years of plenty, and we have to understand why their frustration is turning to anger as they hear that the extra protections against discrimination for which they hoped and which they need are suddenly too costly in a recession.

The question we must ask ourselves is "When is the right time to make the wrongs of inequality history?" Now is the time to take action, and I beg the Government not to be swayed from their purpose.

2.3 pm

Judy Mallaber (Amber Valley) (Lab): In the year since the last international women's day, we have marked the 90th anniversary of the date on which women first voted. As a member of the House of Commons Advisory Committee on Works of Art, I want to take the opportunity to plug again the suffragettes exhibition by the Admission Order Office, and to try to persuade all Members—including those who are not present today—to take their constituents, particularly their young women constituents, to have a look at the exhibits showing the struggles undertaken by the suffragettes to get us where we are today.

International women's day itself resulted from the struggles in various countries for suffrage, peace and rights for working women. The exhibition shows Sylvia Pankhurst with working women, as well as Emmeline Pankhurst with the medal that she was awarded, and the suffragettes' scarf that Emily Wilding Davison was wearing when she fell under a horse at Ascot and was killed while campaigning. Those struggles included the women chainmakers who are celebrated with events in your constituency, Madam Deputy Speaker.

Mrs. May: I wonder whether the hon. Lady welcomes, as I do, the work being done by the parliamentary education unit in relation to the photographs of women who are now in the House of Commons. Photographs were taken of women Members of each of the parties in the House. The hon. Lady may have attended the presentation of the photographs at the National portrait gallery, when I said that they ought to be taken into schools. I am very pleased that the education unit is working with Boni Sones and others to put together a package of material to teach people not just about the past but about women who are in the House today and to encourage young women to take an interest in entering the House.

Judy Mallaber: It was our Committee that had to agree to the photographs being displayed in Portcullis House and, in fact, the Committee bought them with money from the fund for art works here. I hope that we will secure agreement for them to be displayed permanently in the House. I agree with the right hon. Lady about the work of the education unit. I believe that I am supposed to be involved in the making of a videotape about the suffragettes' struggle. It is important for us to commemorate our past and to think about how we got here, as well as thinking about our future.

I was struck by what the Secretary of State said about how we should communicate the ways in which we seek to help people in the current economic downturn. She mentioned using *Take a Break* magazine as well as debating it in *The Economist*. It should be made clear that we are not merely trying to give special help to women—as was suggested at the beginning of the debate—but seeking to help all people and take account of their specific circumstances. We all know that many of our constituents do not know how to gain access to support and advice. It is important to provide that support and advice in different areas and in different formats, such as the pamphlet that I have with me now.

I do not want to suggest that we know that women will be more or less affected than men when it comes to losing jobs. That will vary from area to area, depending on the gender and industrial make-up in those areas. In my constituency, jobs have recently been lost on the Conservative borough council, in a major manufacturing company and at Woolworths. I spoke to a couple who had worked at the manufacturing company. The woman had kept her job, while the man had lost his. One young man who had been made redundant after 12 years at the company came to see me with his mother and his grandmother, who said that when she had worked there many years earlier and there were redundancies, she had kept her job by agreeing to work full time. She had then realised that, as a result, one of the men would lose his job, because at that stage she was cheaper than he was. That position is no fairer than a position in which women suffer from unequal pay.

The situation is fairly complex. As has been said, Woolworths and the distribution industry have many women employees; on the other hand, Morrisons has substantially expanded its work force. We need to consider the ways in which particular groups and areas are affected, and how we can help.

I was pleased to be able to attend the women's summit yesterday. I sat at a fascinating table along with representatives of the legal profession, business, the public sector and the organisation Refuge. We agreed that what was likely to happen was unclear, but a number of relevant issues were raised—some of which have been mentioned today—such as benefits, working times and flexible working, provision for child care and domestic violence. I shall say more about some of them later, but I want to focus particularly on what we should do now to ensure that when we emerge from the downturn we are in a fit state, both in terms of what the country needs and in terms of a better and fairer society and a better position for women in the context of many of the issues about which we have argued over the years.

I was stimulated yesterday by a visit to the "big bang" event at the Queen Elizabeth II centre. I do not know whether any other Members visited it, but it celebrated science and engineering, and was aimed particularly at schools. Many school groups were there. A range of organisations had stands there, including the Met Office

and Rolls-Royce, which is in my area. School pupils displayed the pioneering engineering work that they had done, which was to be judged later. I believe that the winners are off to Downing street today.

I was inspired by that event. A group came down from Heanor Gate science college in my constituency. When I arrived at the centre, I discovered that that group was sponsored by Rolls-Royce, in the neighbouring Derby constituency. I was delighted to note that the science group included as many girls as boys. We have a problem enticing young people, and girls in particular, into engineering, manufacturing and science generally. I also went to the WISE stall—women into science and engineering—which was there to do various interactive things to encourage the girls there to take part. That was good.

We need to look at what will happen when we come out of the downturn, both to ensure that we have people—men and women—with the skills that we need to fill those gaps, so that we are not on the back foot again and so that we come out in the strongest possible position, and to redress some of the imbalances in the skills people can acquire. The one thing that we should not do in the downturn is cut back on training and apprenticeships. I am delighted, therefore, at the programmes that the Government have put forward in those spheres. Indeed, I have positive examples from my constituency.

I am concerned, however, by the Conservatives' plans to cut spending in the financial year 2009-10, so that they will maintain spending in some Departments but not in others. That means slashing skills, university and science budgets by £610 million and the non-schools budget of the Department for Children, Schools and Families by £300 million. My concern is that people over 19 starting an apprenticeship would not be able to do so. The right hon. Member for Maidenhead (Mrs. May) said earlier that the Conservatives would finance a community learning programme by getting rid of Train to Gain. I do not have with me a copy of the debate on skills that I participated in last year, but I had example after example of the positive ways in which Train to Gain had been used by businesses. Just recently I gave out awards at the Acorn training centre in my constituency to the many people who had gained qualifications and training from the Train to Gain programme, which was very much welcomed by my local businesses. I therefore do not think that the Conservatives' way of re-jigging the budgets would help us to deal with the problem.

Mrs. May: I would have thought that the hon. Lady would know as well as anybody else that our proposals are to increase the number of apprenticeships that are available to young people. She should really be concerned about what her Government have done to apprenticeships. This Government's redefinition of apprenticeships means that an apprentice will now get a national vocational qualification at level 2, rather than at level 3, which was the traditional definition. The Government have been fiddling the figures, so that it appears that we have more apprenticeships, when in fact those apprenticeships have not been at the skills level that is needed—and the skills level that they will be under us.

Judy Mallaber: I have many positive examples of what is taking place. I am afraid that the figures do not add up. The Conservatives cannot claim that they are going to cut overall Government spending programmes, yet maintain spending programmes in a number of Departments, and then say that nothing is going to go anywhere else. That does not have credibility.

I recently visited Manthorpe Engineering in my constituency, which takes on four or five apprentices a year. This year nearly all the apprentices are male, which I would like to redress. The apprentices train at Rolls-Royce to begin with—Manthorpe Engineering is part of the Rolls-Royce supply chain—and they then finish their apprenticeship with the company. Those are genuine apprenticeships, taking place over three or four years, which means that we are developing a younger, qualified work force who will have the skills to go through and be committed to the company. Rolls-Royce maintains its training in a downturn and is also positive at promoting women into jobs, apprenticeships and training. That is a key point.

Julie Morgan: I congratulate my hon. Friend on her report from earlier in the year. Does she agree that one way of attracting more women into apprenticeships would be to have part-time apprenticeships, which the TUC supports?

Judy Mallaber: I agree with that; indeed, I was going to come to that point. Although I applaud the fact that training and apprenticeships are increasing, there are still a number of issues that we need to take on board, some of which have already been mentioned. I was going to refer to the report by the National Skills Forum, which was published last week, I think—it was meant to be published several weeks before that, but unfortunately the snow intervened. Indeed, my hon. and learned Friend the Solicitor-General was one of the speakers at that launch.

The National Skills Forum report, which was produced on behalf of the all-party group on skills, makes a number of points about the work-life balance and, in particular, makes proposals and recommendations about how to ensure that apprenticeships and training fit the needs of women. One of those proposals is to look at how we can increase the number of part-time apprenticeships. "Jobs for the girls", the report that we on the Select Committee on Trade and Industry produced —the hon. Member for Bromsgrove (Miss Kirkbride) was instrumental with me in putting that together— addressed that issue. We made the point that when Ofsted looks at the flexibility of courses, it should also take on board how to provide part-time courses and courses at times when women can access them.

The National Skills Forum report also looked at increasing the financial support available to adult learners in further education and at how the benefits system can discourage carers from taking part in training. That is an important issue, which needs to be looked at more carefully. The difficulty of allowing the carer's allowance to be available—or not be available—to those on courses requiring more than 21 hours of study a week is something that we should perhaps look at again. Another issue is the different arrangements for financial help for part-time students in higher education from those for students on full-time courses.

Another group that has been active in looking at the issue, and which gave evidence to our Select Committee, is the YWCA. Careers guidance has already been

[Judy Mallaber]

mentioned, and work experience is an important issue that we should look at in opening up opportunities. We are looking at how, when we come out of the recession, we might have made some advances, so that we have a broader range of skills and more diverse opportunities for people to obtain those skills.

One of the YWCA's proposals for the Apprenticeships, Skills, Children and Learning Bill—was it just last week that it was debated?—was for the National Apprenticeship Vacancy Matching Service to play a key role in ensuring that young people are offered as wide a range of apprenticeship options as possible. The YWCA suggested that a duty to promote and ensure equality should also be put on to the new bodies created by the Bill, so that they look at how to ensure that girls as well as boys can take up training opportunities.

There is obviously a problem in apprenticeships. We all know that boys tend to be in the better-paid apprenticeships and that girls tend to be in the worse-paid ones. I would not necessarily want to stop girls going into hairdressing—it is a portable skill that will do them well wherever they go in the world—but it is noticeable that those at the top of the profession are usually men. There are very good opportunities for men at the top of the profession, which the girls never seem to get towards.

A load of reports have been put forward to consider the different things that we could do to ensure that girls and women, including women returners, get the opportunity to enhance their skills in a different way. Now is not the time to cut that; now is the time to give it added impetus, and there is a range of things that we should look at. There are also projects under way at Sheffield Hallam university—on behalf of one of the Government Departments, I think—to look at science, technology, engineering and maths, or the STEM subjects, and at getting women into manufacturing. Using this opportunity to give that extra impetus would be very positive.

The group at my table at the women's summit yesterday raised a number of issues, some of which have already been referred to, that are slightly broader than the positive issue of how we go forward. One was about how we ensure that advice gets to those who need it, which I have already mentioned.

The issue of domestic violence has already been touched upon. The policy director of Refuge was at my table and talked about the potential for an increase in domestic violence. In fact, I noticed a report in the last couple of days about the Metropolitan police issuing figures in January that suggest that there has been a slight increase in domestic violence in the past year. The police are now looking into how stress from lost jobs could create tension in families.

Angela Watkinson: Is the hon. Lady aware of the breadth of domestic violence, which also includes emotional bullying? We need to find more ways of enabling women who are suffering in those difficult circumstances to report it, particularly when they have responsibility for children, because when there are incidents of domestic violence, there is a propensity for the mother and the children to be removed from the home for their own safety. We need to get that the other way round, so that the perpetrator of the violence is removed and the rest of the family are allowed to stay in their home.

Judy Mallaber: That is right. We also know that people tend to present themselves between 18 and 30 times to various agencies before their case is picked up. There are some good programmes, however, such as the one at my local hospital. Staff in the accident and emergency department take the woman into a side room, saying that it is for tests if the alleged perpetrator is with her. That gives her the opportunity to say something if she wants to. We need to extend such programmes.

The Solicitor-General: My hon. Friend is making a powerful speech, as one would expect. It used to be said that, as a rule, there would be 35 occurrences of domestic violence before anyone reported it to any of the authorities, rather than anyone going to an authority 35 times before action was taken. Happily that figure of 35—difficult though the measurement must be to make—seems to have gone down significantly, so I hope that we are getting through to women the fact that they can come forward earlier. My hon. Friend makes the point that responsibility for doing that is starting to be spread into health, education and so on, where it rightly should be.

Judy Mallaber: I thank the Solicitor-General for those comments.

Of course, in a downturn a man could lose his job, and if he is at home more often, there are more opportunities for violence to take place. A point raised in the summit yesterday relates to the broader situation of a couple who want to split up but cannot sell their house. They have the problem that they are stuck in the same house together, cooped up with all the tensions and difficulties that that creates. That provides an added dimension to the problem.

I have received representations about the issue in briefings from the Commission for Equality and Human Rights and from the Women's Institute, which specifically draws attention to potential violence in rural areas and the difficulties for women. The issue is of great concern to people and we need to be aware of that. I reiterate the point that it was not even regarded as an offence before Labour took it up. For a long time, it was "just a domestic", and that attitude was prevalent, although attitudes had started to change, so that when I was a candidate, my local police took a much more positive attitude.

Mrs. Laing: I entirely agree with everything the hon. Lady has said, but I cannot let her give the impression that concern for domestic violence has only been taken on her side of the House. We are all concerned about domestic violence and many Conservative Members have spoken about it, campaigned about it and raised money to combat it. We have done everything we can to stop domestic violence. It is a matter on which there is unanimity in the House, not just on the Labour Benches.

Judy Mallaber: I am sorry. I did not intend to suggest that there was no concern; I was saying that domestic violence was not recognised as an offence. We did not get it into legislation or think that it was something on which we should legislate. I was not just talking about Members when I said that violence against women was regarded as "just a domestic". That attitude was common among the police until comparatively recently. When I was a candidate, there was a big conference on domestic

violence at my local police headquarters, where they had put on the job someone who had suffered from violence as a child and whose wife had suffered violence in a previous relationship. At that stage, understandably, police attitudes were changing, but we needed to reach the point where people recognised the issue.

In an organisation where I worked, which employed variously between 20 and 25 people, two members of staff were victims of domestic violence. For at least one of them, work was clearly a place of refuge—where she could get out of the house. The issue is complex, but if it is more prevalent in a downturn, it is even more important that we do all that we can to support people and that we do not go back on what we need to do in terms of criminal justice.

Mrs. Villiers *rose—*

Julie Morgan *rose—*

Judy Mallaber: I am spoilt for choice.

Mrs. Villiers: It is worth us all remembering that one of the most hideous crimes that continues to be committed against women around the world is the use of rape and sexual assault as a weapon in military and paramilitary conflicts. The situation in Darfur is one of the most obvious areas where women are paying a huge price because of those evil practices. Although this debate is focusing on the domestic economic situation, we should never forget the terrible crimes committed against women in many parts of the world.

Judy Mallaber: I agree absolutely. I was an election monitor in the Congo—as was the hon. Member for Buckingham (John Bercow)—and met many victims of rape as a weapon of war. It is utterly appalling. Amnesty has reasserted its campaign within the last couple of weeks. Such crime is hideous and appalling and we should never forget that.

Julie Morgan: I agree with my hon. Friend about the change of attitude among the police. I draw her attention to the success in Cardiff in reducing the number of women who are repeated victims. Multidisciplinary working between all the agencies, the police and the hospitals has resulted in a definite drop in the repeat victimisation of women.

Judy Mallaber: I appreciate those comments.

I realise that many Members want to speak, so I shall briefly mention a couple of further points, one of which I raise on behalf of the citizens advice bureau. My hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck) spoke about the benefits of pension credits, but issues have been raised about some of the difficulties people face. The CAB—whose note I will pass to Ministers—has raised questions about the tariffing of income and the impact of falling interest rates on people with savings, where the tariff assumes their income is higher than it really is because of the fall in interest. That is slightly different from the way the issue was presented earlier, but I think it should be looked at. For example, money was deducted from a pensioner because of the assumptions made about her savings, and a lone parent with a young child had to stop working because she was concerned about the reduction in her entitlement to benefits. We need to look again at tapers and tariffs and the implicit assumptions about the interest people receive from their savings when deductions are made to benefits.

My hon. Friend the Member for Regent's Park and Kensington, North made a powerful contribution about child care. I reiterate the importance of Sure Start children's centres, which the Opposition do not wish to support. I shall be opening another children's centre in my constituency.

Mrs. May: Will the hon. Lady give way?

Judy Mallaber: I shall not take any more interventions because I have already been speaking for too long and other people wish to speak.

Mrs. May *rose—*

Judy Mallaber: May I finish my point? I was just going to say that a report on equality and poverty that Professor John Hills and his London School of Economics team are working on has found that Sure Start has helped in improving child development and parenting and in cutting the attainment gap between rich and poor. If the right hon. Lady wishes to say that those centres will continue to exist and to provide those services, I will be absolutely delighted and will take back any suggestion that her party might be seeking to cut them.

Mrs. May: I am grateful to the hon. Lady for giving way, because Labour Members really must stop plying this incorrect statement that a Conservative Government would get rid of all Sure Start centres. That is not our policy. What we will do is make some changes to how the centres operate, and, significantly, we will use money that this Government are setting aside for Sure Start outreach workers to increase the number of health visitors by 4,200, which will give much needed support to women in the home at what is often a very difficult time for them, and when they are particularly vulnerable to domestic violence because that often starts when a baby is born. This will reverse the health visitor cuts under this Government, who have removed that support from women.

Judy Mallaber: One of the problems with that approach, however, is that there will be less targeting on those who need the help the most. That is one of the difficulties in the proposals, but I am sure this will be a continuing, and lively, debate. Powerful points have, however, been made about the potential impact on children, and about the need to ensure child care is available, so that children do not suddenly lose their whole social circle and their environment if their mother is unable to afford it, perhaps because she has lost her job. We need to make progress on that. We need to make sure that we do not go backwards during the recession, but that we keep going forwards with the positive proposals that we have, and that we use them to try to make a fairer society and address some of the issues on which many of us have been campaigning for many years.

In the women's summit group yesterday, it was made very clear that flexible working could be a positive way to help employers through the downturn, although there are also issues to do with how that affects benefits.

[Judy Mallaber]

There is a quote, which I cannot find now, from an article about Women Like Us, which operates at the primary school at the bottom of the road I live in when I am in London, which is in the constituency of the hon. Member for Hornsey and Wood Green (Lynne Featherstone). It is a wonderful quote about employers getting the benefit of employing somebody with a full brain at half price if they are working flexibly. What employers need is people with the capacity to work and who feel engaged and able to organise their lives. Flexible working can be of great benefit to employers, although it is, of course, also being used in a way that is not so beneficial to people, when companies are having to introduce short-time working. It is a mechanism for maintaining jobs over such periods, however, and employers should look upon flexibility as a way both of helping them deal with difficulties in the downturn and of making sure they get the most out of their employees. It is, potentially, a positive step for them, and we should not seek to go backwards on this. I hope that all Members present will want to make sure we pursue it.

There are opportunities, therefore, as well as the difficulties we face. I hope we will use action on the skills agenda to try to ensure we come out of the recession with a better skilled and more diversely trained work force who are able to meet the challenges that all of us will face in our daily lives.

2.32 pm

Mrs. Eleanor Laing (Epping Forest) (Con): It is a pleasure to follow the hon. Member for Amber Valley (Judy Mallaber), and I pay tribute to her especially for the work she has done through the Advisory Committee on Works of Art and the exhibition downstairs to promote awareness of, and education in, the achievements of the suffragettes. It is vital that we do not take for granted the fact that we female Members have the privilege of being Members of this House and taking part in the democratic process, as we have all been able to do since the age of 18, and that we remember that only two or three generations ago our grandmothers had to fight for the right to vote, never mind to sit in this House. Bearing all that in mind, I believe that all political parties are taking every step they possibly can to maximise the number of women representing them in this House, so that the woman's voice is heard loud and clear in all areas of political activity and the political strata in our country today.

Miss Kirkbride: I am sure my hon. Friend would not want to move on to her next subject without also offering congratulations on this year being the 30th anniversary of a female Prime Minister being elected to this House.

Mrs. Laing: My hon. Friend is, of course, absolutely right, and I will certainly not miss that opportunity. We must not forget that Baroness Thatcher—*[Interruption.]* The Solicitor-General says that we have not forgotten, and I can see that from the expression on her face. We must not forget that Baroness Thatcher broke the mould. When I was a little girl at school, people said, "Oh, girls don't go into Parliament. Girls don't do politics; you should think about being a teacher or a doctor or something else, dear." Then came Margaret Thatcher, who broke the mould and showed that a woman with determination, ability and energy, and with her enormous talent and flair, can do anything—that has been proved. The Solicitor-General is getting very exercised now—I do not know what she is saying, but I think it is probably better to ignore it.

Peter Bottomley (Worthing, West) (Con): The Solicitor-General is probably thinking about the fact that not only did the Conservatives have the first female MP to take her seat, but the Labour party was the third party to have an Asian Member of Parliament—the Liberals were the first, the Conservatives were second and Labour was only third.

Mrs. Laing: As ever, my hon. Friend makes a very good and utterly relevant point. We are talking about equality, for which we are all striving across all strata of public life.

Miss Kirkbride: Just to tease the Labour party a little more, may I also note its glass ceiling—the party has had two female deputy leaders, but no woman in the top job?

Mrs. Laing: Not yet, o ye of little faith; it looks to me as if it might only be a short time before such an achievement is made by a lady on the other side of the House, and Conservative Members would welcome that strongly.

I greatly welcome the fact that we are having this debate today to mark international women's day on Sunday. I consider there to be no such thing as a woman's issue—it is rather old-fashioned to put political matters into the box of being a woman's issue. However, it must be said—sometimes we are not brave enough to say it—that women do things differently from men. There is no reason why women should conform to the way that men have always done things, including in the running of this place—how we conduct our debates and all other matters in the Houses of Parliament. We should be brave enough to say that women do things differently from men and that if we are looked at by men for doing things differently, that does not mean we are wrong—we are just different. We are no less valid than our male counterparts, nor are they less valid than us in any way.

On most policy areas women have a slightly different aspect and slightly different priorities from men. We look at things from a different angle, so it is right that on this one day a year we should focus on how things such as the recession—we are all concerned about that and we talk about it constantly in here—particularly affect women.

The Minister for Women and Equality was kind enough to allow me to intervene on her speech, and I was pleased that she gave this House an assurance that she will fight the corner of women when her Cabinet colleagues suggest, as they are reported in the press to do, that there should be some reining in on the right to request flexible working—that must not happen. It has been Conservative policy for some years that the right to request flexible working is the very basis on which we can start to achieve a work-life balance, not only for women, but for men and women in all parts of

this country who have child care and other family responsibilities. If we do not have this, we go nowhere in the right direction on creating any kind of equality in the employment field.

There are those who argue that there is no need for a debate such as this today, and indeed that there is no need for international women's day—

Philip Davies: Hear, hear.

Mrs. Laing: I see that my hon. Friend the Member for Shipley (Philip Davies) has identified himself as one of those people. I believe in freedom of speech and he is as entitled to his opinion as anyone else, and entitled to express it as vociferously as he likes, but—

John Bercow: He is a troglodyte! *[Laughter.]*

Mrs. Laing: That may well be the case. I do not agree with my hon. Friend the Member for Shipley, but I defend his right to make those points today, or any other day. However, his objections to this debate are not the usual objections to this debate or to international women's day. Some people, notably women of a certain generation, argue that feminism is a thing of the past, that the battles that started in the last century have largely been won, and that therefore we no longer need such debates or an international women's day. However, I think that that is a very narrow and selfish view of the world.

The women who sit in this House, the women in our families and many of the women with whom we work are fortunate and privileged, because we have had the advantage of an equal education and other equal opportunities in our working life. Those of us who sit in the House also have the great privilege of being able to speak out for women. We must therefore remember that the vast majority of women live in countries with no equality, but considerable poverty and enormous health problems. Women in such countries are in no better a position than their predecessors a century ago. We must not forgo the chance—indeed, it is our duty—to stand up for those many millions of women and do what we can to improve their lives, as well as considering the lives of women in this country. I strongly refute the arguments of those who say that debates on women's issues should be a thing of the past. That is complacent in the extreme, because it is essential that we take the opportunity to speak up for women who need our moral, practical and financial support all over the world.

I wish particularly to address the issue of maternal health. I appreciate that the motion before us concerns the effects of the recession, but if the effect of the current recession is to require the Government to cut public expenditure, I make a plea here and now that overseas aid for international development should not be the subject of cuts. There are many countries, especially in Africa, that utterly depend on the financial, practical and political support that they get from our Government, and it would be a tragedy if this Government's mismanagement of the economy meant that people in developing countries who desperately need our help were deprived of it.

Anne Main: My hon. Friend is right. The looming problems of the economy led to the situation in my constituency in which there were no midwives to give advice to first-time mums before they had their babies, because of a shortage of midwives and of funding to provide antenatal classes—and it has taken a long time to get those classes back. That was an example of cost-cutting that was detrimental to new mums.

Mrs. Laing: My hon. Friend is absolutely correct. I shall come to that point in just a few moments, and I am sure that my hon. Friend will talk about it, too, in her speech.

I recall that in the debate on international women's day last year, I mentioned that I, along with a couple of other Members, had been the previous week to the annual UN conference on women in New York. I had met a large number of women from Africa and other parts of the third world who very bravely stood up for their rights, for women's rights and for the welfare of children in their countries against all the odds. I was struck by the enormous contrast between the problems that they faced and the problems that were talked about by women from the privileged part of the world, such as those from our own country.

I noted that a year ago, and last month I was fortunate enough to be in Uganda. I was not on an official trip; I went with the Malaria Consortium, which is an excellent charity founded to combat malaria, as is clear from its name. Indeed, its purpose is to eradicate malaria in the parts of Africa where it can be eradicated, because that would make an enormous difference to the lives of almost all the population in the countries where malaria is endemic. I was in Uganda for just over a week, and while I was there I was taken to see outlying parts of the country districts near Kampala. The poverty, the lack of opportunity and the disease in such places is shocking. It struck me, not for the first time, that of course it is women and children who suffer most.

In observing the effects of malaria and doing the work that I was trying to do with the Malaria Consortium, I also came across the effects of HIV/AIDS and the dreadful dilemma in which millions of women find themselves when they discover only during the birth of a child, when they receive their first medical attention, that they have HIV/AIDS. Of course they would not have known that before, because they have never had access to a doctor. In one of the areas that I went to, the population is estimated to be approximately 300,000. Only six doctors cover that area, four of whom are in the towns. Most of those 300,000 people were spread throughout the countryside where women who desperately need medical attention have no chance of getting it.

The Malaria Consortium is doing terrifically good work in trying to set up a network of small local units, looked after by a local person who will have absolutely no medical training but will be a volunteer who will undergo a few days of training in how to test for malaria, how to advise about HIV/AIDS and how to administer drugs to relieve malaria, to cure it and to stop it.

Philip Davies: My hon. Friend is making a powerful point. Let me bring her back to the economic downturn and its impact on such work. Does she agree that the drastic reduction in interest rates and the big fall in the stock market that we have witnessed in recent times will have a big impact, as it will reduce charities' incomes and therefore their ability to spend money on worthwhile projects such as that which she has described and many others besides?

Mrs. Laing: Yes, my hon. Friend is correct—and I am glad to have the chance to say that in this debate! In the economic downturn, the effects of Government spending strategies, the reduction in interest rates and the fact that so little money is in circulation are very worrying. As always, the least privileged and those at the bottom of the pile suffer the most. That has happened throughout history, and I do not suppose that it will ever change.

We know that charities are suffering because of what has happened to their investments, but they are also being hit by the fact that companies that are usually generous and which try to be philanthropic in their outlook when they can are not providing investment. A company that cannot pay its shareholders and employees or invest in its own future will not have money left over for philanthropy and charity. That is precisely why I am so concerned about this issue.

Anne Main: Many volunteers who work in charities are women, but the recession is altering their economic situation at home so much that, for instance, it is becoming difficult for them to afford to use their car to deliver meals on wheels or take people to hospital. Does my hon. Friend agree that if such costs become disproportionately high for their family budgets, many women volunteers will be tempted or forced to withdraw the charitable support that they give? I thank and pay tribute to the volunteers in St. Albans, because if they all packed up and went home, the town would cease to function. Most of the people who come to the thank-you party that I hold for my volunteers are women, and I fear for some charities if they cannot give their services free because their family budget will not allow it.

Mrs. Laing: My hon. Friend is, of course, absolutely correct. Charities and good works in this country and around the world will suffer, because people view donations to charities as discretionary giving and of course they feed their children before they put money in the Red Cross box. Both at home and abroad, it is those who most depend on charitable works who will suffer in a recession. It is very sad that the Government's handling of the economy has brought us to this point, as the United Kingdom could have been in a much stronger position had they managed things differently.

The hon. Member for Amber Valley rightly mentioned the importance of combating domestic violence. I recall that domestic violence rates in the UK are somewhere around 30 per cent.—

The Solicitor-General: What does that mean? Thirty per cent. of what?

Mrs. Laing: The Solicitor-General rightly asks me to clarify my statistics. At some point in their life, approximately 30 per cent. of women have suffered domestic violence of some kind or other. If she disagrees with that statistic, I will of course give way to her, but my recollection is that we are talking about a rate of about 30 per cent. That is enormously high, and we are all well aware of how much has to be done to combat that.

Angela Watkinson: My hon. Friend is making a very powerful point, but does she agree that much domestic violence goes unreported, with the result that it is difficult to estimate its absolute level?

Mrs. Laing: Yes, I certainly agree with my hon. Friend, and that is exactly the point. Although Home Office or police statistics on the reporting of domestic violence and the number of resulting convictions do not suggest that one in four—or even as many as one in three—women in the UK suffer domestic violence at some point in her life, the excellent work done by organisations such as Refuge shows that the proportion is in fact somewhere around 30 per cent.

The Solicitor-General: The figure usually quoted is one in four, or 25 per cent., and I have no reason to think that it has gone up. Indeed, before the slightly disturbing figure for the Met area came out—my hon. Friend the Member for Amber Valley (Judy Mallaber) mentioned that figure—domestic violence was going down. It had reduced by about 58 per cent. in the past five years, which is a real tribute not only to our policies but, I think, to changed attitudes. We look at the British crime survey and at helplines, and domestic violence organisations give us lists of how many complaints they get. That is probably the best that anybody can do to estimate the figure.

Mrs. Laing: I will happily concede that point, especially if, as the hon. and learned Lady indicates, the figures suggest that rates of domestic violence have reduced. I hope that that is so. I will happily concede that we are talking about 25 per cent. rather than 30 per cent., but 30 per cent. is still far too high. The point that I really wanted to make is that just two weeks ago I met the First Lady of Uganda—the wife of the President, who has just been made a member of the Ugandan Cabinet herself—and she told me that rates of domestic violence in Uganda are about 70 per cent. My point is that where there is poverty, deprivation, lack of education, hunger and disease, women, and of course children, suffer the most. I was shocked to find, during my work on malaria, that those who are most susceptible to malaria are babies, young children and pregnant women. Once again, we see that women are disproportionately those who suffer in society. In this case, they are already in a weak position, as pregnant women are particularly vulnerable to disease, including malaria.

I realise that I must not stray from the subject just because I was so moved by what I saw in Uganda and want to take action to combat it. However, I commend the Government on the work being done through the Department for International Development in countries such as Uganda. To refer to the exact wording of the debate title, if, due to the economic downturn and the Government's mishandling of the economy, there are to be cuts to public expenditure—as, indeed, there must be—I sincerely hope that those cuts do not fall on the DFID budget, where they would lead to catastrophic effects; I make that plea to the Government. At present, 320 children in Uganda die every day of malaria; if we were not doing a lot to help, think how much worse the situation would be.

I come back to the home front and the subject of maternal health, which is extremely important, not just for women but for society as a whole. The Stillbirth and Neonatal Death Society, or SANDS, held an excellent meeting in the Palace of Westminster yesterday. It produced a report entitled "Saving Babies' Lives". Hon. Members may not be aware that every day in the United Kingdom,

17 babies die just before, during or just after birth. My hon. Friend the Member for St. Albans (Anne Main) made a powerful point about the need for more midwives and maternity services. There is certainly such a need. Many of the 17 deaths a day are preventable. Here in the United Kingdom, we have the great advantage of being well-educated about matters concerning pregnancy, maternity and birth. Every woman in this country has, or should have, access to the medical care that she needs, yet on 17 occasions every day, babies are dying. Something has to be done about that.

My main point is that when we consider the effects of the recession and the Government's mishandling of the economy on our society and, for the purposes of this debate, on women particularly, we must remember that as a society, we require many, many women to do two jobs. We require them to bear, produce and take care of the next generation in its childhood and adolescence, and at the same time to be economically active in the general economy.

It might be the choice of the individual woman to have a child at a particular time, and it might be her choice how many children to have, or not to have children at all. That might be a matter of personal choice at an individual time for an individual person, but we need to populate our country for the future, and we need women in general to produce children. That is not a matter of personal choice, and it is a fact that is often forgotten. If we allow the attitude to prevail which tells women, "You've chosen to have a child, so you make your own child care provisions. You've chosen to have a child, so you give up your job," and if every woman who was doing an important job and was economically active chose not to have a child, society as a whole and the economy would be in a dreadful mess and in a state of imbalance.

It is not a matter of individual choice that women who are already doing a job should also become mothers and carers for their children. Given that we as a society have to accept responsibility for the next generation, we as a Parliament must support women in their double role in life.

Anne Main: My hon. Friend is making a hugely powerful point and I am reluctant to interrupt, but it could be said that women have a triple role. Many women are carers, and as a result of delaying having children, for whatever reason, many women find themselves in a dual role of looking after elderly parents as well as children, and also being economic contributors. That is not to say that men do not have a caring role; many do, but the expectation is that women, often with a young child, will take on caring roles, should the need arise at that time.

Mrs. Laing: As ever, my hon. Friend is correct. Whenever we talk about parents as carers, we do not mean only mothers of small children, although that has become common parlance. We mean men and women who have family responsibilities, as I said earlier in a different context. Often, the responsibility of caring for elderly relatives is far more difficult, emotionally draining and time-consuming than the responsibility of caring for small children.

Miss Kirkbride: I strongly agree with my hon. Friend's comments. Will she reflect on the fact that despite what she says and despite all the rhetoric on the issue, we spend more time in the House talking about whether we should breastfeed our children in the Chamber than providing child care facilities for Members and Members' staff here in the House of Commons.

Mrs. Laing: My hon. Friend is entirely correct. We are often sidetracked on to the issues that do not matter, and we have never come near resolving the issue that does matter. We all go out there and say that we want more women in Parliament, more people from different and varied backgrounds, more people who do not have great economic advantages, and people from different parts of the country. We get the people here and they are told, "Oh well, that's your responsibility. Too bad. If you have a child, you can't vote, and you can't speak. You're not getting to play in the first team like the rest of us, because you have a child and you've got to go and look after it." The attitude is still that it is one's own responsibility—as of course it is. If I suggest that it is not the responsibility of a parent to look after his or her children, my hon. Friend the Member for Shipley will rightly pick me up on that.

However, we need to have a shared responsibility for the work-life balance that this place requires if we are to succeed in having a truly representative House of Commons where there are men and women in almost equal numbers and people from all over the country representing different parts of it. I can easily see that it is far more difficult for someone to represent a seat that is three hours' travel away than to represent a seat in London. There is much talk about the representation of ethnic minorities and of people who are not from a professional background, but often what we really mean is "people who don't have private means". The systems in this House make it very difficult for someone who is surviving entirely on the salary of the House of Commons to look after their children, and indeed other members of their family, properly. No attempt has been made to offer proper child care facilities in this House. Personally speaking, although I do not extrapolate from that, it takes two thirds of my net salary to pay for my child's child care; I will not go into the arithmetic any further. That means that we are a hypocritical establishment in saying, "Yes, we want you to come here, but when you get here we won't support you or pay you properly, and make it difficult for you"—which it is.

Let me conclude on the point of the motion: the effects of the economic downturn. I appreciate that the Minister for Women and Equality, who introduced the debate, and her hon. Friends have meant to do so much for women. I entirely concede that their intentions are good. It is sad that because of the mismanagement of the economy by some of their colleagues—notably the Prime Minister, as he is now, and when he was Chancellor—there might not be the economic resources to do all that they would have wished to do. Baroness Thatcher was mentioned a little while ago; I had meant to do so at this point because it is not reasonable to have this debate without her being mentioned at all. When she was Prime Minister, she pointed out that the Good Samaritan, great example though he was and great intentions though he had, could not have done what he did unless he had also had money. Her point then, which I echo now, is that there is much to be done in increasing equality, improving welfare, and enhancing family life, work-life balance and opportunities for women

[Mrs. Laing]

in our country, and in an economic downturn it will be far more difficult to do everything that we would all wish to do.

This Government, given their mismanagement of the economy and the state that it has got this country into, will bear a heavy burden if things go wrong, the equality agenda is derailed, and we find in five years' time that we are standing here looking at statistics showing that the position of women and families has got worse—as I fear that it might but hope that it will not.

3.9 pm

Julie Morgan (Cardiff, North) (Lab): Thank you, Mr. Deputy Speaker, for calling me to speak in this important debate to celebrate international women's day both in this country and internationally. I am glad we have had some mention of the achievements of women internationally and the plight that such women find themselves in. I was pleased yesterday to meet the youngest woman Member of Parliament from Afghanistan—I do not know whether other Members had the opportunity to meet her—and to hear about the huge efforts that women are making in that Parliament to make their agenda succeed. They do, of course, have a 25 per cent. quota for women's representation in Parliament, so they have more women Members of Parliament than we do. That was an inspiring meeting, and it is important that on international women's day, we remember women all over the world.

This international women's day has had more attention than normal. I have been invited to many more meetings and there seem to be lots of things going on. I congratulate my right hon. and learned Friend the Minister for Women and Equality for holding the women's summit yesterday. I was able to attend for a short time, and it highlighted women's issues. I believe that international women's day should be marked by a bank holiday. That would be an important thing to do. In this country, we have eight public holidays a year, while the European average is 11—even the United States has 10. It would be a great boost to women in this country if we had a bank holiday in honour of them. Bank holidays are a great time to stop and to take stock, and for families to get together. I would look to other hon. Members for support on that.

Anne Main: I would like to speak up on behalf of small businesses. I urge the hon. Lady to ensure that, when she is advocating more days off and more this, that and the other, she does not lose sight of the fact that businesses are struggling. We do not want to give another reason for them to say, "We don't want to employ women, or consider them, because it will mean giving them even more time off with a bank holiday." I suggest that we can commemorate the day in many ways, but more days off and fewer days work is probably not the way to do it.

Julie Morgan: I thank the hon. Lady for her intervention. Any bank holiday that celebrated women would also, obviously, benefit men as well. I draw her attention to the fact that we have so few bank holidays in this country, and they are important. In Wales, we have failed to make St. David's day a public holiday—so far—but perhaps the Government might consider a public holiday that celebrated more than half the population.

Today, we are looking at supporting women and families through the downturn in the economy, and looking to the future, and it is appropriate that we do so on international women's day. When we look at the history of international women's day, we are aware of the strikes by women garment workers in New York in the 19th and early 20th centuries, when they demanded better working conditions and rights. It is important that we use this day to debate this subject, and again, I would like to congratulate the right hon. and learned Lady and her team on making this such an important, high-profile issue this week.

Why should the economic difficulties we are experiencing be different for women now than at other times in the past? As other Members have said, there are now more women employed in the workplace. In Wales, there is a small difference in the employment rates of men and women. There are 679,000 men in employment, compared with 589,000 women—a difference of only 90,000 people. We can see how the trends have been going; the employment rates of men and women are becoming more equal. It is hard to say how that will continue to develop, given the economic downturn, but there is no doubt that the pattern of employment in this country has radically changed. When we get over the downturn, I think it very likely that more women will end up being employed than men, and the implications of that for our pattern of family life are important to consider.

The figures show that 8.3 per cent. of men in Wales are out of work, compared with 5.2 per cent. of women. We have to be very sceptical about those statistics, of course, because many women are not registered for work and do not claim jobseeker's allowance, so we do not know exactly how many women are out of work.

Many women are in vulnerable jobs. As so many more women are now in employment, and so many more families therefore depend on their income, women are much more vulnerable during the current problems than they have been in the past. Some 40 per cent. of women in Wales are in part-time work, compared with fewer than one in 10 men, and 29 per cent. of women are in low-paid work, compared with 16 per cent. of men. The fear is that part-time and low-paid staff will be disproportionately affected, as they might be seen as the easiest to get rid of. As was mentioned earlier, the last in may be the first out. Of course, women's employment tends to be focused on certain sectors. The catering, retail and service sectors have all been mentioned. It has also been said that all parts of the economy are being hit in the current recession, including the parts in which women in particular tend to work.

The Government have made an admirable response to the difficult situation so far. They have gone out of their way to think of ways to help struggling families, and that is true of the Welsh Assembly Government as well as the Government here in Westminster. It is important that we shift the focus and consider the fact that the recession is affecting women as well as men. In my constituency, the Quality hotel in Tongwynlais suddenly closed, virtually overnight, after the chain that owned it collapsed, and many women were thrown out of work immediately.

In Wales, we have set up a scheme called the ProAct scheme. It has been set up with great swiftness and is designed to provide funding for employers who are facing difficulties during the recession. The support is intended to help businesses to prepare for economic recovery by upskilling their work force while they are on short-time working and by retaining skilled staff who might otherwise be made redundant. The good thing about it is that it offers people the opportunity to gain skills while they are on short-time working or out of work altogether, instead of sitting at home. Importantly, it gives people the opportunity to take advantage of that time to train and improve their opportunities for employment when the inevitable upturn comes.

However, ProAct is a pilot scheme, and it appears initially to have been aimed at the automotive industry. Its initial recipients will therefore probably be men. I urge the Government to ensure that any such schemes are equally available to women and spread over all sectors. I went to a meeting of the Federation of Small Businesses last night, and it said that it hoped that the scheme would be taken up in England as well. I know that the Prime Minister is considering doing that.

As my hon. Friend the Member for Amber Valley (Judy Mallaber) said, now is the opportunity to prepare for the inevitable upturn by providing women with skills. That is why apprenticeships are important, and I feel strongly that we should try to make them less segregated. As I have said, we should encourage part-time apprenticeships to encourage older women and those with children to get involved. We all know that apprenticeships can be in various sectors, and the pay might be very high in one sector and pretty low in another. That dictates the pay gap that exists for the rest of people's lives. Apprenticeships are vital, and we must ensure that they are more equally divided. That can be done through work experience, which can make certain that girls and boys have experience of work that is non-traditional to their sex. That applies to boys and young men as well, as there are sectors in which it would be a huge advantage to have men involved. An example would be child care, as this would provide male role models for children from an early age. These are among the important things that we can do at this difficult time.

The gender pay gap has been mentioned several times. It is difficult to bridge that gap, for reasons that I have already given. It is deeply embedded, and it will take a long time and a great deal of effort to do so. In Wales, it has got slightly worse, which is a matter of concern. The Equality and Human Rights Commission is working with Swansea university to investigate why the pay gap has worsened in Wales, and to determine whether it is just a blip or whether something fundamental is happening that would require an even greater effort to narrow the gap.

It is also a matter of concern that there are more women than men on short-term, flexible contracts. It has already been pointed out that that might mean that employers are more willing to use such contracts during difficult times. There is also a great fear, however, that people employed on such contracts will be the first to go. The TUC is worried that women might be prepared to take jobs at almost any price, because they are so concerned about their families and children. The number of women who hold jobs that pay below the minimum wage is significantly higher than the number of men in such jobs.

Women's jobs are vulnerable. We all know about the discrimination that pregnant women have suffered in the workplace, even before the economic downturn. The Equality and Human Rights Commission has given many examples over the years of pregnant women being discriminated against. This week, I heard a story about a woman in Cardiff who told her employer that she was pregnant. His response was, "I don't think you're meeting your targets at work." My fear is that such incidents will continue to happen, and we must do all that we possibly can to prevent them.

It is also a fact that 90 per cent. of single-parent households are headed by women. We know that the way out of poverty is to enable people to work, and the Government have worked very hard to achieve that. The tax credit system has been targeted to help people, particularly low-income families in work, but if those jobs go, the families will be very vulnerable. We have made efforts to give more opportunities to lone parents, and it is important to ensure that those opportunities remain.

Another area of concern is that of child care, which has already been raised today. There is no doubt that a number of child care businesses, where many women work, are vulnerable in these circumstances. In Wales, we have introduced the foundation phase, an early-years programme in which children learn through play until they reach six years of age. That programme has resulted in a big increase in the number of women being employed, because a lot of support workers have been taken on to work in small groups with children in the programme. That is an example of an increase in women workers, and I have no doubt that those people will stay in jobs.

I mentioned informal child care in an earlier intervention. I do not know what the answer is, but I believe that the issue should be addressed. In Wales, two thirds of child care is done on an informal basis, by friends, grandparents or other relatives. That is often the most suitable kind of care, if people can get it, because it is flexible. The children know the family and families can be trusted; such care can be provided around people's work. How people arrange finances, work and benefits around that is, as my hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck) said earlier, something that we should look at. I believe that there would be huge benefits for the country as a whole if we enabled more women to be free to work as a result of their children being taken care of. That is an important issue.

Wales has developed a number of policies that will stand up well during this recession. I particularly draw the House's attention to the fact that schools in Wales have free breakfasts available in their breakfast clubs, which are taken up in a significant number of cases. They run from early in the morning and the parents face no additional costs for the breakfasts; they provide another aspect of child care in difficult situations.

I have some specific suggestions for the Government to take up. The Westminster Government should look at the ProAct scheme in Wales and see whether it can be extended to England. All schemes should be looked at in terms of their impact on women as well as men, and

[Julie Morgan]

efforts should be made to extend them to women as well as men. Apprenticeship schemes should be viewed with reference to their availability to women. We also need to reflect more on informal child care.

It is particularly important to protect the women's voluntary sector. I had a meeting yesterday with representatives from the women's voluntary sector, who feel under enormous threat at the moment. Part of the reason for that is the lack of understanding by local authorities of the funding for organisations that work only with women, along with their lack of understanding of their gender equality duties. I was extremely concerned to find that so many women's voluntary organisations felt that they were struggling in really difficult times. It is important to reflect more on that.

Most importantly of all, we must keep going ahead with our equality agenda. Many Members have already said this in today's debate, but the recession must not in any way be used as an excuse to send women back to the kitchen; we will never go back to the old traditional family style with one male breadwinner and the woman based in the kitchen.

Several hon. Members *rose—*

Julie Morgan: That sort of pattern has disappeared and I do not think it will return.

Mrs. Laing: Let me point out that, like her ministerial colleagues, the hon. Lady expresses a good intention with which we all agree—that we must not go back and that we must drive the equality agenda forward—but how will she do it if a small business has to cut costs or go under? That choice is being faced everywhere because of the economic downturn and the Government's mishandling of the economy, so how will she persuade people not to get rid of the women in their work force?

Julie Morgan: It is a matter of ensuring that all the different initiatives from different levels of Government are used to help and encourage small businesses through these difficult times. I accept the hon. Lady's point, but programmes are in place that will help small businesses.

Anne Main: Let me gently chide the hon. Lady on her point about women in the kitchen. I would not want any women who are in the kitchen by choice to be undervalued in any way, shape or form. My only concern is that a woman should not be disadvantaged in the workplace if that is where she chooses to be. If she is doing the most valuable job that I think she can possibly do—looking after her family, supporting home life and perhaps cooking proper food for her children, when we all complain about people buying the ready-made stuff—I would really hate it if she felt that that job was not valued when people keep saying that she must be at work.

Julie Morgan: I accept the hon. Lady's point. If a women wants and is able to afford to be at home, that is fine and her choice, but we know that the vast majority of women want to go out to work and need to, because of the money and for many other different reasons. I am not devaluing those people who are able and want to stay at home—it is an enormously important job—but I also think that the majority of women want to go out to work.

Angela Watkinson: My hon. Friend the Member for St. Albans (Anne Main) makes the point that some families choose for the mother to stay at home, which should be a perfectly valid choice. If they can afford to do that, we should not criticise them for it.

Julie Morgan: I thank the hon. Lady for that intervention. We do not want the progress of the last 50 years to disappear because of the difficult economic situation we are in, nor must we prevent the progress that we are planning to make or the equality legislation that we are planning to introduce. I look forward to the legislation very much. It is sure to improve things even more.

It has been interesting to hear what has been happening in other countries at this time. Everywhere in Europe and in the United States, voices are saying how important it is that we continue our strive towards equal opportunities. It is worth quoting the European Commissioner for Employment, Social Affairs and Equal Opportunities:

"Discrimination produces inefficiency... Only by reaping the potential of all our talents can we face up to the crisis."

There is no doubt that, for the country and for different companies to flourish, we need to use all our talents. For a company to flourish, it needs the best talent available. We have made a lot of progress, but we know that women and ethnic minorities often still find themselves discriminated against when they try to get jobs. If we produce a more level playing field, that will allow for the best people to get jobs, whatever their background, and that can only serve to help businesses and the economy.

3.32 pm

Miss Julie Kirkbride (Bromsgrove) (Con): I am delighted to follow the hon. Member for Cardiff, North (Julie Morgan), who always speaks eloquently on behalf of her beautiful part of the world and country. It is good to hear her.

Thank you for calling me, Mr. Deputy Speaker. I congratulate my hon. Friends because, unlike the other parties, we have on our Benches three men who have come to the debate on international women's day and what is happening to women in the economy. *[Interruption.]* The Solicitor-General is pointing out that, were it possible, or even desirable, for my hon. Friends the Members for Shipley (Philip Davies) and for Buckingham (John Bercow) to catch your eye, Mr. Deputy Speaker, she would see just what a diverse and broad church we are. I hope that we might look forward to that, although it is at your discretion.

I want to begin by saying something that will please my hon. Friend the Member for Shipley. After all, we are fellow Yorkshire folk. We are discussing the impact of the recession on women, but it is important to say that the impact of the recession is simply devastating for all our fellow citizens when they are on the rough end of it, whether they are men or women. I would hate anybody outside who looked at the proceedings of the House to ask, "Why are they talking about women?"

We are talking about women because it is international women's day, but also because we are concerned about all our citizens, including men, and the impact on their families if they lose their job or their house.

The issues might be different or might disproportionately affect women, and there might be other reasons to talk about women, but we are having the debate because we are concerned about the plight of all British citizens—as well as citizens across the world, as my hon. Friend the Member for Epping Forest (Mrs. Laing) so eloquently set about explaining—and the impact that the economic crisis will have on us all, and disproportionately on some of the more vulnerable in our society.

Some of those vulnerable members of society are women. The hon. Member for Cardiff, North said that 90 per cent. of single-parent households with children are headed by women. The economic livelihoods of such people are on the margin at the best of times, given their part-time jobs, family tax credit and the need to pay the mortgage, or simply to make the budget cover something very expensive—the cost of children, who always come home from school saying that there is something that they want. They may want new trainers, or something that they have seen on television, or a new Nintendo game. Mothers want to provide such things, but when the economic situation becomes difficult, difficult economic choices have to be made. Many women must achieve a difficult balance in reconciling the family budget with the other priorities that they would like to make for their families.

We are in a dreadful state. We have heard some announcements today that will have a further impact, and to which I may well refer later, but at present a family, with a 125 per cent. mortgage because the rules allowed it when the property market was at its height, may be living in a house that is quite likely to be repossessed. Families were encouraged to believe then that the boom times would go on for ever and to take out loans amounting to much more than the value of their houses. Not only has the property market fallen in value, but such families must carry an additional millstone because they took out mortgages of more than 100 per cent. at the top of the market, and will walk away from their houses—or, perhaps, will be evicted by bailiffs—with a massive debt hanging around their necks.

As my hon. Friend the Member for Epping Forest pointed out, the Government must bear some culpability for our present state. We know that there is a worldwide economic recession, and that every country from America to China has been affected by it, but it is simply not true to say that the actions of our own Government did not contribute to a significant extent.

This week we heard from the Chancellor of the Exchequer some suggestion that culpability lies in the way in which the financial sector was regulated. The person from whom I am really waiting to hear, however, is the Prime Minister, who was the architect of our present financial regulation. The centrepiece of his first year in office was his proposal to change the regulation of the banking system, which had been regulated by the Bank of England for more than 200 years. The Bank of England would tap on the proverbial shoulder a bank that was getting into trouble in the same way as Northern Rock and say "Look, we do not think that your business model is particularly sustainable." It would deal with the situation before it got out of hand. Now, however, three bodies are in charge: the Treasury, the Bank of England and the Financial Services Authority. As we all know, if a job is given to three people, it does not always get done, because everyone thinks that it is someone else's responsibility.

That system of financial regulation certainly did not disapprove of mortgages of more than 100 per cent., and it did not tackle some of the excesses of the banking system. A huge amount of culpability for the situation in which we have ended up lies with the "bust" of the financial sector.

Anne Main: My hon. Friend made a valid point about 125 per cent. mortgages. When the Communities and Local Government Committee took evidence on the delivery of affordable houses, it became clear to us that the Government were driving more and more people towards the idea of buying homes—even if their incomes were much lower than those of most people entering the property market—while reducing the construction of social housing and affordable homes. An increasing number of people were encouraged to believe that their properties represented an ever-growing pension pot on which they could rely in their old age. The Government made much of that.

Miss Kirkbride: I could not agree more with my hon. Friend. Yes, we did have a wonderfully prolonged period of economic well-being and growth that started, as we on the Conservative Benches often say, well before this Government came to power, under the wonderful stewardship of the present shadow Business Secretary, my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke). He handed over to this Government a golden economy—an economy that any incoming Government would have bitten your hand off for, Mr. Deputy Speaker. The Government were pleased about that. One would have said until now that they had done jolly well in maintaining that economy, keeping inflation relatively low and interest rates at a reasonable level. Indeed, the Prime Minister encouraged that idea, with his incredibly hubristic boasts about how he had ended boom and bust. He said that many times at the Dispatch Box, and for a time even I started believing that somehow he had the magic wand to make things all right. I am meant to know a little about economics—I read a bit of economics at university—and in this House one is certainly expected to know a little about such matters. However, people outside were told by the then Chancellor that the "never had it so good" times were here to stay. They were told, in effect, "Don't worry, it's all going to be all right—we've cracked inflation and boom and bust. You can carry on assuming that you don't really have to save very much, because those rainy days that you used to have to worry about aren't going to come along." That was simply not true.

It is therefore not surprising that people took out big mortgages that they could not afford and that were worth more than the houses that they were buying, so that they could add a new car or perhaps take a foreign holiday. We are still waiting—the press have been salivating for this all week—for the Prime Minister to come to the Dispatch Box and say sorry for encouraging people in the belief that things would be all right and that they did not have to take sensible precautions in their family budgets.

[Miss Kirkbride]

It is also worth bearing in mind the fact that—I am sure that lots of hon. Members will make this point very eloquently when we have the debate on the economy next week—the then Chancellor and now Prime Minister is also culpable for changing the way in which we benchmark inflation. The housing market—historically, the biggest dynamic of inflation in the UK economy—was taken out of the official inflation rate, so that when the Bank of England set interest rates, it did not have to take into account the fact that the housing sector was on a roll. That has added to the nation's indebtedness, encouraged more people to take on debt, either for their homes or on their credit cards, and, sadly, helped to create the state that we are in today.

Mrs. Laing: My hon. Friend is absolutely right. Does she also recall that one of the very first things that the now Prime Minister did when he became Chancellor in 1997 was change the way advance corporation tax worked, thereby taking enormous amounts of money out of pension funds? He has pulled the wool over the eyes of generations of pensioners, who now find that the money in their hands is much less than they expected to have. They wonder where it went. It is not just the downturn in the economy that is to blame; it is the Chancellor's positive action in changing taxation, taking money away from the individual and putting it in the Treasury.

Miss Kirkbride: Again, I could not agree more with my hon. Friend, who has passionately explained what the then Chancellor did to devastate the pensions industry, possibly as his first act of vandalism on coming to office. Clearly the list goes on, but perhaps we will not be able to cover all the areas of culpability in this debate.

Philip Davies: Go on.

Miss Kirkbride: We have had a few, but if any more come to mind—

Anne Main *rose—*

Miss Kirkbride: My hon. Friend has one. Come on, let us hear it.

Anne Main: As my hon. Friend will know, many businesses are going under, particularly small businesses. St. Albans is not alone in seeing a number of small retail units becoming empty because the business has folded. Many of those businesses were started by women and are now being hit by the extra tax that the Government have slapped on businesses with empty commercial premises. That measure is not delivering what the Government thought it would deliver; it is delivering an extra financial burden on people during the recession. That is hitting businesses, families and women very hard.

Miss Kirkbride: Again, my hon. Friend is absolutely right. Although I think there is some relief in this financial year for smaller business premises, we very much hope that when the Chancellor gives his Budget, he will recognise the error of his ways for introducing that tax in the first place. It is devastating given the state of the economy.

As was mentioned earlier, the trajectory of job losses for women is becoming much greater, with the likelihood that more women than men will lose their job. Retail is just one of the sectors that has been particularly badly hit. I suspect that Woolworths was a good example of an employer more likely to employ females than men. Earlier, I was struck by something that the hon. Member for Hornsey and Wood Green (Lynne Featherstone) said. I think she was proposing to Ministers that when the Government look at giving help to businesses—the most obvious examples are in the banking, manufacturing and car sectors—there should be an equality audit of the effect on male jobs compared to female jobs. I wondered what she meant by that. There is financial support from the Government in the current predicament but it has to have limits—the taxpayer cannot take much more—so we have to look at the areas that are most vital to the economy. Although we are all incredibly cross with the banks, we all grudgingly accept that they needed to be bailed out.

Lynne Featherstone: I was saying that as money is handed out to bail out any industry and as we move away from the banks—I think there is universal agreement that there was no choice but to bail them out—and turn to the private sector, there is a legal duty on the Treasury and the Department for Business, Enterprise and Regulatory Reform to examine any substantive policy change. I submit that giving vast sums of money to any industry involves a policy change, so proposals need to be examined in that light. The hon. Lady is absolutely right to say that every case has to be judged on its economic benefits, but it might also be right to include a judgment of the equality benefits, to avoid unintended consequences if money always goes automatically to the most obvious case. However much of a rush we are in and whatever crisis we are in, that is something we should consider.

Miss Kirkbride: I am grateful to the hon. Lady for explaining her point a little further. There has been speculation that the Government will introduce a Bill that allows them to help businesses more directly and we could pursue that debate at that time.

I want to add my voice on the gender pay gap, which has already been mentioned by many Members, but as we are predominantly women in the House today and as we feel particularly strongly about it, I do not want to exclude the subject completely from my speech. I was incredibly struck by the comment of the Minister for Women and Equality that although the gender pay gap is 17 per cent. across the UK economy in general, it is 44 per cent. in financial services, which is simply outrageous. Even my hon. Friend the Member for Shipley might think that was a bit wrong. The statistics are a red rag to a bull. The men have all been bailed out for their recklessness, because one can only assume that the pay gap roughly means that the high rollers the men—the people—

Mrs. Laing: Men.

Miss Kirkbride: Indeed. Those who earn loads of money in the dealing rooms and the high-value investment banking sector are men, with perhaps a smattering of women, but the people who will be feeling the cuts in the banking sector, in the struggle to find cost efficiencies and savings to rescue the industry, are presumably bank clerks on much lower salaries, which creates that huge discrepancy as females are made unemployed. A precious other income in the family budget is thus taken away, with the subsequent impact on the whole household. It is a very depressing picture.

The Leader of the House was keen to tell us in her opening remarks that "fairness" was "at the very heart of what we do". I broadly accept that women's issues are close to the right hon. and learned Lady's heart, but I therefore simply do not understand why, given that there is much progress to be made on the gender pay gap, she has set her face against our pay audit proposal. It would not apply to all companies, because we have to be worried about the bureaucratic burden at present, given all the other worries about earning money that individual companies currently have. However, although there would not be an overall requirement for companies to conduct pay audits because that would be asking too much in the current economic climate and I would not want to have to justify it, I do not see why companies that have been taken to an employment tribunal and found guilty of an offence on equal pay grounds should not be obliged to do one, because I think that would be pretty reasonable punishment for what they have done, and it might encourage better practice in general. Perhaps we will further debate this when—and if—the famous equality Bill actually reaches the Floor of the House. We would be optimistic that we could persuade the Government on that measure.

I want to talk about a group of people who have not been much mentioned yet, because we are rightly concerned about families and the vulnerability of children and the responsibility for them—which rests mainly on the shoulders of women, although men take their responsibilities in that regard as well. This other group of people is being really clobbered by the recession, and might be clobbered for a considerable period. This group is women pensioners. I am not talking about those who are poor enough to be eligible for the pension credit, which applies very low down the income scale, but those just above that. They are often now widowed and relying on the money they made as a family. They might hold a few shares in the banks—which are now almost worthless if invested in the wrong bank, but what a solid investment they used to be! So, savings that were held as bank shares have gone, although I am sure they were bought with the thought, "Well, it is the one sector that will be okay and that we can trust to buy shares in." If they are lucky enough to have put their savings into non-banking shares, their dividends will have decreased, along with the value of the investment; even if they have invested in blue-chip shares such as the supermarkets, they will be suffering.

A lot of these people will, of course, simply have their savings in cash, and almost no interest at all is being paid on such investments. Added to the insult of pretty much no interest being paid on them, someone sitting at home with not a lot to do will be worried stiff about whether the cash that they hold in the bank is now safe. Indeed, there have been moments in the past few months when that was a legitimate worry, and I would certainly urge any of my constituents to make sure they are cognisant of the Financial Services Authority guarantees on cash deposits, so they can be absolutely reassured that their savings are safe.

This category of people was relying on dividend income and the interest on their bank savings to top up their pension and not only to pay for the holiday, or running the car, or for other things that are considered a luxury by many retired people, but in many cases to pay the council tax or their regular food or fuel bills. That income has disappeared. As a Labour Member pointed out earlier, the Government currently assume the interest received on savings held in banks at a ridiculous level—some 10 per cent. That rate simply cannot be found for any investment vehicle anywhere in the country, or the world.

So these people are really suffering. They cannot fall back on pension credit if they are within those parameters, because their savings are deemed to earn more interest than they can ever possibly secure. There are those who are just above that level but who are still finding it very hard. These people did not have it so good even when it was so good, because they were not in the market earning better salaries; they were living on fixed incomes. They had been clobbered over the past 10 years by whacking great increases in council tax—in my area it has more than doubled. They struggled to find that money and now they will struggle even more, and I feel greatly for them.

It is only a modest measure because interest rates are so low—0.5 per cent. as of midday today, when the Bank of England made its announcement—but it is at least a sign that we are concerned, so I very much hope that the Government introduce in their Budget our idea that for basic rate taxpayers the interest on savings should be tax-free. We have to do something to increase the savings ratio. The recession will help that, because people are scared and they want to save money to pay the bills. If I look at that little list of culpabilities, which I mentioned earlier—

Mrs. Laing: Long list.

Miss Kirkbride: My hon. Friend rightly corrects me, because it is a long list of culpabilities of the then Chancellor—now the Prime Minister. He absolutely did not care about the collapse of the savings ratio over the past decade. All these things are coming back to haunt not only him—it is right that they should—but, much more worryingly, the people whom I represent and the people of my country, who are really hurting. I worry for them because another announcement made today—disgracefully, it was not made on the Floor of the House—was that there will be quantitative easing in the UK economy. Back when I was learning economics, that used to be called the Government printing money, and that is what it amounts to. We have to hope that it works—it is a desperate measure brought on by desperate times, and thus we desperately need it to have an impact and to work.

Mrs. Laing: I am probably the only Member of the House who welcomes that announcement, because it is good for jobs in my constituency—the Bank of England printing works are situated there.

Miss Kirkbride: It always gives me pleasure to see my hon. Friend take pleasure in something, so to that extent I welcome her welcome. For the rest of us, however, it is not such great news that we have come to this state of affairs.

Philip Davies: My hon. Friend is making an excellent case. Does this not bring us on to another area where the then Chancellor has been to blame: spending money like a drunken sailor in the good years so that there was nothing left in the cupboard when we got to the bad times?

Miss Kirkbride: I thought that my hon. Friend's contribution would be something on which I could disagree and show what a broad church the Conservative party is, but I think that my hon. Friend the Member for Buckingham might even have agreed with that particular sentence.

John Bercow: It is, of course, a very sad state of affairs that we have reached a position in which we have to contemplate and, indeed, give the go-ahead to quantitative easing, but does my hon. Friend accept that it might now be the least worst option? Is it not significant that no lesser a monetarist economist than the distinguished Patrick Minford, from the University of Liverpool, has said that it is the right thing to do in the circumstances?

Miss Kirkbride: With a hugely heavy heart, I agree with both of the contributions that my hon. Friends just made. We have reached the point where we have no choice. The point that I was going to make was that, in all likelihood, this measure will, over time, lead to inflation—the thing that we used to dread. At the moment, a bit of inflation in the UK economy would be very welcome, because we face the diametric opposite. But over time, unless it is dealt with very skilfully, we will have inflation, which hits the people on a fixed income in retirement, whose savings are decimated. We remember the 1970s only too well, when exactly that scenario was played out, and people will worry that that will happen again as a result of this announcement.

Because, as my hon. Friend the Member for Shipley said, we spent so much, both recklessly in the past when we should not have increased public expenditure by so much, and more recently when we have had no choice but to increase public expenditure by so much to rescue the banks and other important sectors of the economy, even the Government—although getting them to talk about tax rises is like extracting teeth—have had to admit, to reassure the financial markets, that national insurance contributions will rise for both employers and employees in just two years' time. What will that do to help women's employment—or men's employment—at the time? Employers will be reluctant to take people on. We are in a recession now, and climbing out of it will be made much harder by the Government's unwillingness to consider the impact of their public expenditure plans, including the £12 billion that we have wasted on the VAT cut.

The Government should be a little more respectful of the taxpayer's purse, because all that money will have to be paid back in the end. Some of it will be paid back through inflation, but some will have to be paid back in hard-earned cash that will have to be raised through taxation. We should also look at the other side of the balance sheet, or what we can save to prevent such tax rises in the future, because tax rises will slow up the recovery and make it much harder, especially for women—whose employment is more marginal, as we have all said today—to obtain jobs. The job opportunities will not be available as we come out of the recession because of the mistakes made in the economic management of this country.

My hon. Friend the Member for Epping Forest talked about her visit in February, and I want to tell the House about my trip as part of a Commonwealth Parliamentary Association delegation to Zambia. While I do not wish to diminish the problems experienced in the UK, it is sobering—as my hon. Friend most eloquently explained—to go to other countries to see how much worse things could be. Zambia is a beautiful country with very talented people—I was pleased to see, in the interesting and important meetings that we had, that women were in very senior positions—but it is a very poor country, and many of its citizens struggle to survive. I echo my hon. Friend's remarks about the aid budget, and DFID does an important job giving straightforward financial support to Zambia to be spent by the Government.

I congratulate Zambia on understanding that the AIDS epidemic is taking out its most resourceful citizens, so controlling the disease is the right way forward. Zambia now has a programme of voluntary testing and if someone receives a positive diagnosis, there is a fully funded antiretroviral drug programme available. That is a great achievement for such a poor country, where even the cheapest drug—needed in the earlier stages of HIV infection—costs $200 a year per person. That is a large expenditure for the Government to sustain, and sadly the number of cases continues to rise. I hope that it will start to stabilise, but the programme is only just starting and therefore identifying more sufferers. The Government of Zambia are right to introduce that programme, because it is an investment in their own people.

The thing that really struck me, which is where the issue of women particularly came into play, became clear on a visit to the border post of Chirundu on the Zimbabwe-Zambia border. Of course, if we think that we have economic problems then Zimbabwe is in a different league. The Zambians are generous in that they have pretty lax border controls when it comes to allowing people to cross their borders. Traditionally, of course, people have come to market by crossing the border every day. They cross the lovely bridge across the Zambezi that was paid for by the Japanese, as it turned out—we have done other things. Traditionally, people would have gone across on market day to sell their goods, but nowadays many people want to come out of Zimbabwe for economic reasons—to earn some money so that they can go back and help their families—but because they cannot afford a passport, which they need to travel legally, they travel illegally. The minute they are illegally in Zambia that creates a problem, because they are much more vulnerable to the police and other authorities, who do not always respect their rights.

The economic position of many of those women is absolutely dire. They have walked—or taken a lift—hundreds of miles out of Zimbabwe to come to Zambia. They have tried to find work in the agricultural sector to

earn some money to take back and while they are in Zambia they are illegal and therefore very vulnerable. Of course, some of them do not find work picking crops in the fields. As the town is a major crossing point for many of the trucks coming down from the copper belts in Congo and Zambia, there is one trade that is always available to a female who is desperate to feed her family. That trade is prostitution. Inevitably, many of those women find themselves in what I would call voluntary prostitution, although of course it is not voluntary as it is driven entirely by economics. For example, it might be a case of a driver saying, "If you want me to give you a lift, darling, how about it?" Those women have no choice but to offer that service.

It was a very sobering experience for those of us who were lucky enough to be born in the UK to see that, for many women, that is what the economic choices boil down to. I have praised DFID for its work, and it is supporting an international organisation's migration project on the border. It is sympathetic to the local population, which is not very wealthy either. It provides somewhere where anyone—women or men—can take a shower, go to the toilet, which normally has to be paid for in Zambia when people are on the street, and sort themselves out with advice before doing whatever they have to do to try to raise funds so that they can take them home and feed their families.

I pay tribute to those women, some of whom I met at the market, who were very stoic in the face of the disadvantages in their lives. For them, worldwide economic recession can only be pretty poor news. It makes their difficult predicament even worse. We all do what we can to support our families, and on international women's day I pay tribute to all women across the world for what they do.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Perhaps this might be the moment to remind hon. Members that the average length of Back-Bench speeches has been about 30 minutes. If that average is maintained, only three more hon. Members would be allowed to participate. Perhaps there could be a slight quantitative easing.

4.8 pm

Mrs. Ann Cryer (Keighley) (Lab): It is a great pleasure to be in the Chamber again for what has been an excellent debate. This might be my last debate celebrating international women's day and I admire the fortitude of the three male Opposition Members who have been present for much of the time. However, I must remind the Opposition that their party has a much larger proportion of male Members than ours has. I appreciate the presence of the hon. Gentlemen, particularly since one of them is my own MP. However, my own party has a couple of male Members present now.

It is also excellent to hear from other hon. Members who have been to Africa. We have heard about visits to Uganda and Zambia: I visited Kenya in October, and I think that our experiences of the position of women are very similar. I was deeply concerned to learn that female genital mutilation is still a problem in Kenya. The men do not like to talk about it, but I managed to extract some information on what is a pretty awful practice. Anything that we in this House—and especially the women here—can do to discourage such activity in African countries will be appreciated by women there.

We may also achieve greater diversity. At least two of my colleagues from the Speaker's Conference on diversity are present in the Chamber. We will all work together to achieve greater diversity and, although I am not sure how that will happen, I certainly hope that it will.

This debate is about supporting women through the economic downturn and into the future. Women are now getting support from Sure Start, extended school hours, the minimum wage, tax credits and the availability of flexible working. Many of those things are likely to disappear or wither on the vine if the Opposition get elected.

My right hon. and learned Friend the Leader of the House has said that women must know their rights, but many do not. In that regard, I want to ask a question that many people consider to be something of a taboo subject—although that has never stopped me before. How many women from various ethnic communities where cousin marriages are the norm are aware of the availability, free through the NHS, of genetic counselling and screening prior to marriage? I have been unable to persuade the Bradford and Airedale teaching primary care trust of the need to make the availability of those services known through advertising in medical and community centres, hospital out-patient and accident and emergency departments, or even in schools. It just will not do so, believing that the subject is too politically incorrect.

As always, my concern is for the very young women who have entered this country as young wives. They have no English and are very vulnerable. In some families, they go on producing children even after having given birth to children with severe problems. Often, they get little help from the in-laws who arranged the marriage. Those young women, most of whom come from Mirpur in Pakistan, are the victims of a rural culture. I want to emphasise that this problem has nothing to do with religion or the fact that they are Muslims, but that it is just what happens in the rural culture whence they come.

Some so-called community leaders—all of them men—argue that consanguinity has no impact on the number of children born with severe disabilities, and I agree that such children are born to couples who are not related and that many perfectly healthy children are born to cousins. However, the statistics reveal that, although 2 per cent. of children from all communities are born with genetically transmitted disorders, the percentage doubles to 4 per cent. in the communities that favour first-cousin marriages.

I am absolutely not asking that cousin marriages be outlawed. I simply want us to discuss the matter and to encourage PCTs to make known the availability of genetic counselling and screening. That could be an enormous help for these young women who, as I said, are not aware that such services are available.

I shall try to be brief, but I should like to pay tribute to the paediatricians of Bradford and Keighley, who are so expert in diagnosing and caring for children with

[Mrs. Ann Cryer]

diseases that are often very rare. I should also like to put on record my appreciation of the introduction by my Government of the Forced Marriage (Civil Protection) Act 2007.

Philip Davies: I am proud to be the hon. Lady's Member of Parliament; she is incredibly courageous and has done an awful lot on such issues, speaking out when other people would not have done, and she deserves huge praise. On first-cousin marriages and the health problems that flow from it, does she agree that we hope that the Born in Bradford scheme, which is being run in hospitals in Bradford, will lead to more information being known on the subject, so that the problem can be tackled better?

Mrs. Cryer: I do agree, but the Born in Bradford scheme is not that up-front about what it is there for. It is careful not to say that it is about consanguinity and cousin marriages. I can understand why that is; it does not want to put off women from informing it of the nature of their family.

I was talking about the Forced Marriage (Civil Protection) Act, which the Government introduced. I recognise that it was the party of the hon. Member for Hornsey and Wood Green (Lynne Featherstone)—

Lynne Featherstone: Lord Lester.

Mrs. Cryer: Yes, it was Lord Lester, in the other place, who introduced the measure as a private Member's Bill. The measures are up and running, and certainly helped to return a very young doctor from Bangladesh a few weeks ago. I appreciate the fact that the Government are changing immigration regulations, which will greatly help young women to refuse to go into forced marriages. I also appreciate the fact that the Forced Marriage Unit, which is funded partly by the Home Office and the Foreign Office, has been up and running for many years. It is doing an extremely useful job in areas such as mine.

Talking about this subject today will not do me any favours with many of my community leaders in Keighley and Bradford. It is a difficult subject to broach, but then again, 10 years and a few weeks ago, it was the anniversary of a very important Adjournment debate, which Alice Mahon, then the Member for Halifax, and I requested. We decided that we had to go public on the issue of forced marriages. The debate was supported by Members—mainly women—from all parts of the House. We moved from that situation to the current situation, in which we have the Forced Marriage Unit, and great recognition, across the country, of the fact that forced marriages do happen, and of the idea that we should be talking families out of adopting that sort of attitude to their daughters and sons. I think that we achieved that, so I hope that it does not take 10 years to talk families out of going on with consanguinity—that is, first-cousin marriages.

4.17 pm

John Bercow (Buckingham) (Con): It is a pleasure to follow the hon. Member for Keighley (Mrs. Cryer), with whom I have made common cause on a number of issues in recent years, and to whose courageous contribution I listened with immense respect.

I would like narrowly to focus my remarks on the national minimum wage, to the compelling case for the introduction of which I long ago publicly converted. Before its introduction, too many people suffered too much for too long with too little done to help them. Since its inception, it is estimated that approximately 1 million people a year benefit from the annual uprating, of whom no less than two thirds are women. It is worth emphasising to boot that for those beneficiaries of the national minimum wage who are sole earners, it has been especially significant. Indeed, I would go so far as to say that its introduction has been an economic kiss of life to significant numbers of women who were struggling at the margins, and of whom it cannot reasonably be said that they lived their lives; they rather fought daily to continue to exist. That is a dramatic achievement.

It is instructive to look at the reports of the Low Pay Commission. Its sixth report, published in 2005, observed—probably en passant, while raising all sorts of other points—that although it was not the prime rationale for the introduction of the national minimum wage that it should reduce the gender pay gap, in practice it had had a major impact on that gap. That is especially true at the lower end of the income scale.

My hon. Friend the Member for Bromsgrove (Miss Kirkbride) referred to the sharp disparities in income in the financial services sector, and I think she would almost certainly be right in surmising that the sharp disparities are especially sharp at the upper end of the scale. It is to the credit of the Government that for people at the bottom of the pile, the introduction of the national minimum wage and the constant increase in its rate has narrowed that gap.

The ninth report of the Low Pay Commission in 2008 significantly observed that the evidence demonstrated that there was no adverse impact upon employment as a result of the introduction of the wage or from its annual uprating, in contrast to the predictions of the doom-mongers, among whom I readily number myself. It is easy to be convinced by one's own rhetoric, or drenched in one's own propaganda, and for an indefinite period of time to be convinced of one's own preconception. I admit that I thought the introduction of the minimum wage would be hazardous, that it would lead to terrible consequences, that there would be a huge increase in unemployment and so on, and that has not proved to be the case, principally because the Government were politically and economically savvy enough to introduce it at a relatively low rate and then to look gradually and affordably to increase it.

The point that I want to make today in relation to the level of the wage, in the context of economic downturn and the particular problems that beset women, is this: I recognise that every year the Low Pay Commission looks at the wage, the state of the economy and what scope there might be for an affordable increase. It normally makes its recommendation to Government in February, with a view to the uprating taking effect in October.

As the Solicitor-General knows, this year the Low Pay Commission has sought permission from the Government, which was sensibly granted, to take a little longer in its consideration of the economic numbers before making a recommendation as to what, if any,

increase there should be. My understanding is that the Low Pay Commission intends to furnish its advice to Government by May this year, though importantly and justifiably there is to be no delay in the annual uprating taking effect. That should take effect, if there is to be such, in October.

Over the past 10 years there has been a compound increase in the national minimum wage of roughly 59 per cent., if my arithmetic serves me correctly. Several years have witnessed increases of 4 per cent. or thereabouts, although I think I am right in saying that in 2001—I pluck that arbitrarily from the annals of election history; I am sure it was purely a matter of serendipity that there was an election in 2001—the Government chose to increase the national minimum wage by about 10 per cent. There are people who will say to Government, "It is very difficult. Times are tough. We can't afford very much. Let's have a stay on the increase of the wage or increase it only very modestly."

I want to lob into the debate the radical but alternative suggestion that the Government should consider a sharp increase in the national minimum wage this year. That would conduce to the economic good, it would greatly increase the spending power of people who are languishing at the bottom of the economic pile, and there is every chance that it would be capable of being afforded by the public purse. I observe in passing that the public will be both bewildered and horrified by the massive public largesse that is shelled out in the direction of failed, incompetent and greedy bankers who have to be paid huge fortunes to go off, and are apparently not remotely embarrassed about taking such great departure payments.

It surely should not be beyond our economic competence or our moral sense to say of those who receive the national minimum wage, "These are people who are really struggling. Let's give them a sharp increase." From £5.73, we could increase the minimum wage by 10 per cent.—57p or thereabouts—to £6.28 or thereabouts. I hope that the Government will seriously consider that, and I challenge all the political parties to accept that there would be a powerful ethical case for behaving in that way.

That deals with the subject of the national minimum wage and its prospective increase, but there is another related issue concerning the large numbers of people, among whom women are disproportionately represented, who are currently paid below the national minimum wage. That has been referred to once or twice—and only once or twice—in the course of this afternoon's debate. It is important to put it on the record that when that happens it is not merely undesirable, unethical or unreasonable, but palpably illegal. There ought to be some sense of moral outrage in the House if employers are paying people below the minimum wage. My understanding is that the annual survey of hours and earnings undertaken under the auspices of the Office for National Statistics showed that in 2008 no fewer than 185,000 women—1.4 per cent. of the female work force—were being paid below the national minimum wage. That is, frankly, an unconscionable state of affairs.

I recognise that, not least through the device of the Employment Act 2008, the Government have committed a considerable resource for the purposes of publicising people's entitlements and facilitating an effective enforcement regime for the national minimum wage. If memory serves me correctly, the Government are currently spending about £850,000 a year on publicity and about £7 million a year on enforcement. It is absolutely right that that should happen. My anxiety is that when times are tough, there can be an inadvertent green light for the skinflint, the rogue, the cowboy to behave even worse than he would otherwise be inclined or feel able to. If this House exists for no other purpose, it must surely exist, convene and debate with a view to extending the greatest possible protection to the disadvantaged people in our community. We should always strive to help most those who have least.

I hope that the Solicitor-General will say to her right hon. and hon. Friends in the Department for Business, Enterprise and Regulatory Reform that they should keep a close watch on this budget and see whether, from time to time, it might be necessary even to increase it. I recollect that the Government established the vulnerable worker enforcement forum, which was a useful opportunity to exchange views about what needed to be done. I suspect that a greater resource will be required, and there will be people who will try to renege on their responsibilities. This is a big problem, particularly for women and not least for home workers, who are notoriously difficult to track and whose ill treatment is especially difficult to identify and expose. That problem must be addressed.

I know that the hon. and learned Lady will understand when I say that among home workers there is another factor—that of ethnicity. Significant numbers of people from the ethnic minority communities work as home workers. Let us be clear: there is a difference between people in this House, in the political class, whose familiarity with the regulatory regime, with entitlements, with what is due, with the legal position, is quite strong, and people out there, especially those for whom English is an additional language, who are more often than not, I would go so far as to say, unaware of their rights or, because of the economic circumstances in which they find themselves, frankly too frightened to claim and insist upon them. It is not good enough simply to respond in a legalistic sense. One very senior colleague in my own party once said to me, "Well, this is a matter to be pursued in a legal manner, John—it is not something about which we need to make speeches or anything of that kind. If people are dissatisfied with the way in which they are being treated, of course they have legal recourse." I am afraid that that sort of reactive approach simply will not do.

I want to finish by saying that I applaud the national minimum wage and its continued uprating. It seems to me that it is economically justified, it is morally right, and for whichever party wins the next election it has to be an integral part of a counter-poverty strategy. In saying that, I emphasise that it is critical to the fight against poverty both of women and of children as well. There is a long way to go and I hope that we will see real and meaningful progress in the years ahead.

4.30 pm

Dr. Roberta Blackman-Woods (City of Durham) (Lab): It is always a pleasure to follow the hon. Member for Buckingham (John Bercow), and he made an interesting case about increasing the minimum wage.

[Dr. Roberta Blackman-Woods]

I start by reassuring the right hon. Member for Maidenhead (Mrs. May), who is not in her place, that she should not read too much into the change in the title of today's debate. Building an economy for the future is very much on the Government's agenda and my party recognises that we need to include women fully in building that new economy. Conservative Member's comments this afternoon show that they do not understand the global determinants of the recession that we are in, and so I have no idea how they will construct a new, properly functioning economy that will meet people's needs.

I recognise that it is not just women who are suffering in the economic downturn. Obviously, men are suffering as well. Nevertheless, we meet today to debate issues relating to international women's day, and it is worth taking time to reflect on the impact of the recession on families, particularly women, especially as so much time has been spent considering the actions of the mostly male bankers who got us into this situation in the first place. Much as I really do not want to dwell on them today, I want to say something on that subject a little later.

We know from research conducted by Ipsos MORI on behalf of the Government Equalities Office that the economic downturn has affected women in particular ways. The results are interesting, but perhaps not surprising. It noted that 75 per cent. of British adults were concerned about the impact of the economic downturn on family life, but, notably, 80 per cent. of women were concerned and 70 per cent. of men. It is also perhaps not surprising that in the discussion groups that were part of the research, men tended to focus more on who was to blame for the downturn, rather than on dealing with the aftermath. Unfortunately, that finding has not been replicated in the Chamber this afternoon. I counted the amount of time that hon. Ladies in the Opposition spent looking at the impact of the downturn on families, and the amount of time that they spent trying to blame the Prime Minister for the recession. About two thirds of their time was spent trying to blame someone, and about a third was spent on considering the impact on families.

The results of the research showed some variation according to age, employment sector and social grades in the extent to which people consider the impact of the recession on families. Some 33 per cent. of men were worried about losing their job compared with 40 per cent. of both women and men who thought that unemployment was one of the main issues facing the country.

I shall digress for a moment or two to take up a point that the hon. Member for Forest of Dean (Mr. Harper) made. We are in danger of becoming a little more depressed than we need to be about people's feeling that women's jobs may be the first to go. I also want to cheer up the hon. Member for Hornsey and Wood Green (Lynne Featherstone), who is sitting alone on the Liberal Democrat Benches, by saying that the situation is perhaps not as bad as we have been led to believe.

A finding of the GEO research was that both men and women believed that it was important that the jobs of family breadwinners were preserved first. The survey did not actually specify that they had to be male breadwinners. However, when people were asked whether it was

"important to make sure all employees and workers are treated fairly when it comes to redundancy",

some 94 per cent. of men and 95 per cent. of women said that it was more important to be fair than to protect the breadwinner's job. That is an important finding, and it is different from the position as the hon. Member for Forest of Dean stated it. It means that people want fairness during the recession, not only in redundancies but in the policies to tackle the problems.

A particularly interesting finding of the research was the high level of concern about the recession among young people. Its authors put that down to the fact that young people had not witnessed a recession before. However, older people, more than others, believed that their personal financial circumstances would worsen in the next financial year. It is interesting that young people are very concerned about the recession but do not believe that it will have an immediate impact on them. That may have something to do with the fact that the Government have continued to put a great deal of money into education, skills and training to try to protect young people from the effects of the recession as much as possible.

Concerns about the price of food and utilities were, of course, mentioned more frequently by women respondents, and the most worried were women with children and those with caring responsibilities for elderly or disabled relatives—in other words, those who had caring responsibilities of any kind. Some groups of respondents also reported that family life had been made worse by the economic downturn. Interestingly, the women who highlighted financial concerns were particularly those who rely mostly on a male wage. One might think that perhaps they felt that they had less control over the family income.

What makes this recession different from others is that women now comprise 45.8 per cent. of the economically active population. I suppose that that is why we are considering the matter today. For the first time, it is very likely that women will lose their jobs in considerable numbers. We need to ensure that arrangements are in place to get those women help and support from their jobcentre. Their need for retraining and re-employment must be seen as being as important as men's.

The research that I have mentioned is very recent, having been conducted in February. It probably concurs with what all of us who have been knocking on doors, and telephoning and speaking to our constituents have found in the past few months. We know that many women are trying to keep a family together through these difficult times and that they are worried about being able to put food on the table and pay bills and about losing their home. They are also concerned about the impact on their families of having to scale back on treats such as holidays or trips to the cinema. Women are experiencing a great deal of distress as a result of trying to keep some of those positive aspects of family life going at this difficult time.

About one third of women—compared with a quarter of men—thought that the quality of family life had been reduced because of the economic downturn.

Nevertheless, many of the women I speak to recognise the huge support that the Government have given to families through tax credits and increases in child benefit. That was noticeably not mentioned by the Conservatives this afternoon because, as they probably do not want to recall, child benefit did not increase in line with inflation under the previous Conservative Government. Perhaps they should have applauded this Government for having supported family life in a way that the Conservatives have not done so far.

There are now better schools, so parents do not have to worry so much about their children's education, and many parents benefit from the Sure Start children's centres in their communities, not just as places that provide additional resources and facilities for children, important though that is, but as places that give much-needed support, counselling and health advice to mothers, including young mothers, and that point them towards other sources of support in their community.

Many families are also benefiting from the Childcare Act 2006, which was introduced by this Government, and under which local authorities have a responsibility to secure adequate child care provision in their area and to ensure that it is of good quality and meets the needs of the local population. That represented a huge step forward by the Government. I am not saying that all the problems relating to child care and affordable child care have been solved by that legislation, but it represents a huge step forward, and I think that there could have been more recognition of that today.

Lastly, I want to talk about domestic violence. We hear women talking about a reduction in the quality of family life, and there is also a wide recognition throughout society that domestic violence can increase in times of recession. That is a matter of great concern to all of us. We should also note, however, that the landscape of domestic violence and the way in which it is tackled in our society has changed massively in the past few years. That is very much as a result of the efforts of my hon. and learned Friend the Solicitor-General who has run very successful campaigns to change the law on domestic violence. I know that she wants to take the legislation further.

These changes have meant that in my own area, for example, there is now specific training for police forces in dealing with domestic violence, and there is widespread recognition by all the key agencies that sit on the multi-agency task groups that they have to work together, to share information, and to be very sympathetic to the victims of domestic violence and do everything that they can to minimise its effects on women and children. In particular, they have to try to protect their housing, if that is possible. I know that domestic violence is a real problem, and that it presents a real threat, but we will have to see how the improved services for dealing with it play out over the coming months.

I also want to say something about the Government's "Real help now" campaign. We have all rightly raised various problems connected with the economic downturn. We all recognise what women and families are experiencing as a result of the downturn, but it would be very wrong to suggest that nothing is being done to help families cope or to support businesses at this time. I have listened to Conservative Members and noted their reluctance to acknowledge some of the steps the Government have taken to minimise the effects of the recession on families and businesses. I am not sure that that is very helpful in the overall context of getting information to people so that they do not have to suffer unnecessarily.

The "Real help now" campaign for families points to the following: £145-worth of tax cuts for every basic rate taxpayer; an additional £60 given to pensioners this winter; VAT cuts worth about £200 to every family; £3 billion of investment to protect jobs; and a £75 above-inflation increase in the child element of tax credit from April 2009, which could be worth a lot to some families, particularly those on the lowest incomes from earnings.

I listened carefully to the hon. Member for Hornsey and Wood Green (Lynne Featherstone), but the suggestion of the Lib Dems that we should have a cut in tax credits and other multi-million pound cuts to public services is no way of helping families that are feeling the pinch.

Lynne Featherstone: I must refute that suggestion. The cuts that the hon. Lady mentions apply to things such as identity cards, not to front-line services.

Dr. Blackman-Woods: As I understand it, the Liberal Democrats announced cuts to tax credits just last week, and I am saying that that will be of no help to families that are feeling the pinch. It is also worth remembering that the Labour party has made tremendous advances on maternity pay and maternity leave, and although I know there is still some way to go, that should be acknowledged this afternoon.

We know that many women are concerned about the increased risk of losing their homes, but help is available and more of it is coming on stream in April 2009.

Ms Sally Keeble (Northampton, North) (Lab): My hon. Friend is aware that support to help people pay interest on their mortgages is available only to people on contribution-based rather than income-based jobseeker's allowance. Will she join me in pressing the Minister to urge our colleagues in government to link that support to working tax credits because it gives more help to unemployed families that risk losing their homes?

Dr. Blackman-Woods: I totally agree with my hon. Friend, who makes a very interesting point, and I hope that the Government will take it into account when they are putting in place additional packages of support after April.

Mrs. Maria Miller: I have just a brief question. The hon. Lady referred to the importance of improvements to maternity benefits, so how does she react to Lord Mandelson's suggestion in the other place that enhanced maternity leave provision will be delayed?

Dr. Blackman-Woods: The hon. Lady raises an interesting point, but Lord Mandelson is, I think, entitled to an opinion and to have a debate on that subject. I am sure that Labour Members, who have been arguing for this provision for very much longer than Opposition Members, will manage to persuade him that we are right and he is wrong.

Several hon. Members *rose—*

Dr. Blackman-Woods: I want to make progress, but I will give way.

Mark Pritchard (The Wrekin) (Con): I am grateful to the hon. Lady for giving way. Is she telling the House that she believes that the noble lord was giving a personal opinion or does she, as I think, agree that he was giving an opinion on behalf of the Government? He is a member of the Cabinet and Secretary of State for Business, Enterprise and Regulatory Reform.

Dr. Blackman-Woods: As the hon. Gentleman will know, I am not a member of the Government so I could not possibly answer that question.

As I was saying, a lot of women are concerned about losing their home. It is important that we try to concentrate on the real issues that are affecting people, not the parliamentary tittle-tattle that we have heard from Conservative Members. The mortgage rescue scheme is designed to help to stop people losing their home through repossession. Indeed, building societies and other lenders have been asked to consider repossession only as the last option.

We know that many women will benefit from the increased investment in the public sector. Therefore, unlike the opposition parties, which seem determined to make cuts in public services, we realise that women rely—disproportionately, sometimes—on public services for help with child care, caring for elderly relations, help with benefits and, of course, training and education.

I am particularly pleased that, in my own region, £6 billion of public spending has been allocated and brought forward to deliver infrastructure projects. That is crucial, because it will support jobs in the regional economy. Indeed, the investment is directly related to regeneration and supporting jobs and skills in some of the sectors that we need to develop in the future, such as renewable energy and, I hope, a new generation of low energy use cars.

I also want to emphasise the fact that the Government are listening to women's concerns and the concerns of families at this time. That is much to do with the work of my right hon. and learned Friend the Minister for Women and Equality, who, with her ministerial team, has shown tremendous determination to focus Government attention on the issues that matter to families.

To respond to the hon. Member for Basingstoke (Mrs. Miller), we see the ministerial team taking forward the equality Bill. As we know, it is intended as consolidating legislation, but nevertheless legislation that will create a new equality duty on public bodies to ensure that the public sector pays due regard to equality when buying goods and services. It will provide additional funding to support the work being done by the trade union equality representatives and consider how Parliament can become more representative of society as a whole. I hope that that answers the question that the hon. Lady raised about whether there is determination on this side of the House to take those issues forward.

I hope, too, that the hon. Lady agrees that the fact that we have the Bill coming before the House should be supported by all parties. It will also help us to achieve greater flexibility in the work that is available to women and men and enable us to consider whether, as a society, we do enough to promote the rights of women, ethnic minorities and disabled people.

I return for a moment to my right hon. and learned Friend the Minister for Women and Equality, because in addition to acknowledging that she has done a great deal to promote the rights of women and families—both in the House and outside it—I want to say that she has also had the guts to stand up to the bankers. She should be thoroughly applauded for making it absolutely clear that they must pay back their outrageous bonuses. After all, she has simply voiced publicly what many people feel: that huge pensions of £700,000 per year are simply immoral, and should not be tolerated. My constituents have told me that they want the Government to take action, including using any money that is clawed back from bonuses or pensions for front-line services to support families, particularly when a family member has lost a job.

I think that the stance adopted by my right hon. and learned Friend has been really strong and really courageous. I simply do not understand why the media have responded to her as they have. It seems to me that if they want to support hard work and decency—although I am a bit sceptical about that—they should support her campaign to make bankers, and others who have received outrageous bonuses, recognise that they owe it to society to pay much of the money back.

My right hon. and learned Friend supported all of us who want to create a much fairer society and—when we emerge from the present economic recession, as we will—an economy that is fairer, paying more attention to the need to care not just for our society but for the planet as a whole, and to ensure that future employment is, as far as possible, in green energy or elements of industry that do not pollute the planet.

It would be something worth celebrating on international women's day if today, in this Chamber, we undertook to concentrate our collective will on the task of producing an economy that is fair throughout the world: an economy that does not exploit developed countries, does not exploit workers at home, and does not exploit the planet.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. Before I call the next speaker, I should point out that we probably have little more than half an hour left, and at least four Members are seeking to catch my eye. I will leave the arithmetic for Members to work out for themselves, but unless speeches are much, much shorter, some Members will be disappointed.

4.58 pm

Mrs. Maria Miller (Basingstoke) (Con): I apologise for not being present throughout the debate. Unfortunately, I was detained in a Committee.

I join the hon. Member for City of Durham (Dr. Blackman-Woods) in commending the focus of the Minister for Women and Equality, the right hon. and learned Member for Camberwell and Peckham (Ms Harman), on the issues that we are discussing. It can be very difficult to continue to do such things in government, and the right hon. and learned Lady has

shown some resilience in that regard. I believe that we can all work together to achieve a better deal for women, but it is not easy in government to ensure that such issues remain priorities, especially when there is clearly a mood in some parts of Government that favours changing those priorities.

A report issued by the Fawcett Society in advance of today's debate explicitly refers to the society's concern about the comments of the Secretary of State for Business, Enterprise and Regulatory Reform, and particularly about the suggestion of an attempt to roll back the extension of flexible working and delay the enhancement of maternity leave provisions. I hope that the Solicitor-General can lay the House's own concerns to rest. We need to understand the Government's position on these matters. It is clear from the response that I received from the hon. Member for City of Durham that their Back Benchers are not yet clear about the Government's policy on, in particular, maternity leave and flexible working.

My right hon. Friend the Member for Maidenhead (Mrs. May) rightly pointed out that the issues we are talking about today, to do with the economic downturn and its effect on women, do not just affect women in the workplace. They also affect women pensioners, such as those in my constituency, who are more likely to be living in poverty and have often not made the best arrangements for their retirement. It is right that the House should include that important group of people in today's debate.

How is the recession hitting women? "Real Help Now for Women", the document that the Government have issued, probably in advance of today's debate to try to focus our attention, crystallises the problem, which is that women feel vulnerable, especially if they are pregnant or in part-time work. The figures suggest that their feelings are backed up by reality and that those fears are well founded. Figures from a number of sources suggest that women are perhaps at a higher risk of facing redundancy or losing their jobs. Again, I would be interested to hear the Minister's response to that, to ensure that we have clarity on where the Government are in interpreting those figures.

We know from our constituencies how important women's salaries are. I am sorry, but the issue is not about women having a career or wanting to get away from the home; it is about women helping families to make ends meet. When the Government's figures show that women's incomes make up, on average, around one third of family income, we know that women being adversely affected by the recession will have a tremendous impact on family life.

Why do women feel so vulnerable? The answer is simple: caring is still seen as a women's issue. The Government, the Opposition and, indeed, all parties in the House need to think about how we change that. Outside this place, families have changed well ahead of political parties. Families see that there is a shared role for mothers and fathers in bringing up their children. We need to ensure that that clarity, in the families in the constituencies that we represent, is reflected in the policies that all of us bring forward in this place.

I am proud to be a member of a party whose leader puts family-friendly working at the centre of our agenda for government. I represent a constituency that has a high number of both big and small employers. Many of the employers in Basingstoke know at first hand how important it is to put family-friendly working at the heart of their businesses, because if they do not, they cannot get the best employees.

Ms Keeble: Will the hon. Lady give way?

Mrs. Miller: The hon. Lady will forgive me if I do not give way; a number of other hon. Members want to contribute and time is running out.

The adverse implications of the recession for women are broad and far-reaching. I would like to bring the House's attention to a number of areas, particularly the impact on the family. We know that the loss of a job will mean the loss of income. Relate has done a great deal of research into the impact of a loss of income on families and the pressures that it can exert. Relate's figures show that money and money worries can be the top cause of arguments among couples. Indeed, almost one third of couples who divorce do so because of financial problems or problems with financial management. Extensive research has been done elsewhere, particularly in the US, to show that financial pressures can be tremendously destructive for families. We need to pick up on that.

The second issue that I want to address is the impact on the long-term development of child care, a point that was picked up well by the hon. Member for Regent's Park and Kensington, North (Ms Buck). Without good-quality, available and affordable child care—such care has expanded tremendously in recent years, which is one good thing that has happened in the past decade—women's role in the workplace will continue to be limited.

Before the recession hit, there were already tremendous concerns about the viability of the child care sector that has developed in the UK. Since 2003, there has been a 68 per cent. increase in the number of day-care places closing and over the past decade there has been a 40 per cent. fall in the number of child minders. There has been an increase in the number of vacancies in day-care centres; the National Day Nurseries Association said that four in 10 nurseries are experiencing bad debt problems and half of all nurseries report a noticeable change in child care usage. All those changes took place before the recession hit, so the Government should look carefully at how we can ensure that the expansion of child care is sustained and does not wither away under what Labour has said will be a recession of the gravest kind.

As we have already heard, another reason the child care sector will be struggling relates to problems with the child care element of the working tax credit. In an earlier intervention, I mentioned my concern about the Government's lack of action on something that could demonstrably support families at this very difficult time. We need to look at how we can sustain private nurseries, so that when women come back into the workplace, they will find good-quality child care. It is deeply concerning that almost two thirds of private nurseries are still not being paid the full cost for delivering the Government's free entitlement to child care. We are still many months—if not years—away from resolving that issue.

How can we improve the situation for women? I shall keep my comments brief as other Members want to contribute. We need fundamentally to reduce the vulnerability of women in an economic downturn such

[Mrs. Maria Miller]

as this. A clear way of doing so is by normalising many of the family-friendly policies that Members have talked about today. Whether it is parental leave or flexible working, we need to make sure that the policies are not just for women but for families—men and women together—to look after their children in the future. By doing that, we could help to take away that feeling of vulnerability and take the spotlight off women in these difficult times.

Another thing the Government need to consider far more carefully is how we can help support families through this difficult time. The Conservatives have announced robust policies to point newly-weds towards family support through the registrar system. I urge the Government to do as we have done and look at the work of organisations such as the Bristol Community Family Trust, where people such as Harry Benson are delivering good, solid support for families suffering relationship problems in these difficult times. Of course, the Government need to do everything they can to ensure that child care is sustainable in the future. We cannot ignore the growing problems in that area.

The measures I have outlined would really help to support women and families, and make the UK the sort of family-friendly place we would all like it to be. Even more important, they would make sure that the talents of every person in the country can come to the fore. If we do not do that, this country will not be the success we need it to be in the future.

5.8 pm

Ms Dari Taylor (Stockton, South) (Lab): I am grateful to be called to speak. I thank my hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck) who has replaced me in Westminster Hall, where I was supporting the Minister responding to the debate on the report "A Life Like Any Other? Human Rights of Adults with Learning Disabilities".

I was heartened by the contributions of both Front-Bench speakers at the start of this debate. My right hon. and learned Friend the Minister for Women and Equality outlined the staggering number of policies introduced by my Government that have most definitely changed the lives of many women. Equally, I was pleased to hear the right hon. Member for Maidenhead (Mrs. May) open with a constructive and careful analysis of what is required by industry if it is to grow, and how that growth will ensure good employment.

I was taken aback by that statement for the simple reason that I was unemployed during the 1980s. Although I made many applications I did not succeed in getting a job for some time. I remember all too well the statements members of the Conservative Government made to me and the other 4 million people who were unemployed. Lord Tebbit told us to get on a bike and find work. Others in the Conservative party said unemployment is a price "worth paying". I was, therefore, pleased to hear the right hon. Member for Maidenhead open the debate in such a constructive way, but sadly for her I also remembered the statements of the shadow Conservative health spokesman, the hon. Member for South Cambridgeshire (Mr. Lansley), who in November 2008 wrote in his blog that recession can be "good for us". That was a very disappointing and thoroughly unacceptable statement, and it made the right hon. Lady's warm and constructive words seem nothing more than warm words—and also unconstructive ones.

I want to talk about some very ordinary and definitely low-paid women and families who live in my constituency. The Church of England "Thrive" project of the Church Action on Poverty group has started up in one of my deprived areas, Thornaby. It brought to my attention—and is bringing to the attention of many other Members—the fact that many ordinary people on low incomes or benefits believe that the only way they can purchase essential goods is to buy them from doorstep salesmen. I wish to make it clear that these doorstep salesmen are not behaving illegally: Buy As You View, a company that was brought to my notice, is not behaving illegally, but it is exploiting very vulnerable people. The project has brought it to my attention that ordinary people are paying interest rates of 40 per cent. and upwards of 100 per cent. for goods that are essential to them. An example was given to me. There is a family of a lady who looks after two disabled adults. She bought a fridge and a washing machine. The actual price of those items was probably in the region of £300, but she paid more than £3,000. Obviously, she needed both items.

It is more than time that we looked at this situation. Therefore, I ask my Government what they are doing about it. It is long overdue that action is taken. Ordinary folks sign up to agreements because they are desperate, and they might pay over two or three years and end up with astronomically high interest rates. They rarely understand the small print of these agreements. Nobody is there to explain it to them. Desperation forces them to sign, as they need the goods. It is long overdue for someone to step up and say, "No more small print; when you sign up, you must know exactly what you're signing up to." The Government and the local authorities can move in very neatly to stop this exploitation. There are trading standards departments, but they have no authority to investigate these companies or to issue warnings. We should use trading standards; that is long overdue. They are there to be used, and want to be used, to ensure that ordinary folk on limited incomes or tight budgets who are buying essential goods are not exploited in this way.

My Government and the House could also support the credit unions in a significantly more persuasive way. We should give them some status and get them more confidently located in our communities, so that people know they can go to a group they can trust, and that they will pay no more than an appropriate sum, and not the exorbitant rates that have been outlined by Church Action on Poverty. Now is also the time to say to the banks, "Provide a service to these people. You have the opportunity to do so. They are high risk and low wage, but they are capable of paying back." We need the banks to work accordingly.

I am conscious of the time, and of the fact that other Members wish to speak. I wanted also to talk about the fact that women are not very visible in the world of apprenticeships and high-skilled labour. It is, again, more than time to address that. We are talking about the economy, and we should talk about women having such good, skilled, highly paid jobs, giving them some stability of employment. I do not have time to address this, but I say to my Government that these are crucial issues to women's lives. We are talking about the economic

downturn, of course, but we should also talk practically about the circumstances of many ordinary families, and support them.

5.15 pm

Anne Main (St. Albans) (Con): I am conscious of the time, but I particularly wish to draw attention to one of the greater pressures affecting families across the country: overcrowding. Unfortunately, this Government have presided over a complete schizoid in both the delivery of social housing and help to deliver housing that is affordable to rent. They went down the fundamentally flawed route of saying that everybody needed to buy, buy, buy. I wish to discuss housing and overcrowding, and its effects on women and families, because I believe that in this economic downturn, when people are going to lose their homes and when people may well be taking back "boomerang children" and other members of the family who are returning for whatever economic reasons, the pressure of overcrowding in homes will get even greater.

One thing that has not been mentioned is the fact that today is world book day, which got me thinking of a very famous essay that was made into a book. I, like many others, read it as a teenager as part of my school course for O-level, as it was at the time. I am talking about "A Room of One's Own", which is a sort of stream of consciousness, written by Virginia Woolf, about how if a woman had a room of her own and a small amount of money, she would be in an empowered state to be able to study, to better herself and to progress. I wish to read a little extract, because the book was written in 1928 and it is amazing how the sentiments are still so valuable today.

Virginia Woolf tells us that she had just received through her door a legacy of

"five hundred pounds a year for ever"

from an aunt who had died in India and that she had also been made aware of the fact that she could vote. She continued:

"Of the two—the vote and the money—the money, I own, seemed infinitely more important."

She wondered why there were no colleges endowed for women to study, to better themselves and to get on. She came to the conclusion that the reason was that women who might have endowed colleges were busy bringing up children; they had not made wealth themselves to give to colleges. She concluded that without a small amount of money and a small amount of personal space to call one's own, one would never be able to progress, to think and to write great literature; one would instead be burdened with the responsibilities and worries, as a woman was then, of running a family, with little hope of making money and having independence.

That is why I wish to return to the idea of overcrowding. The Government set themselves an extremely ambitious target of building some 3 million houses, but more than 500,000 households in England still live in overcrowded conditions—those are Government figures. The survey of English housing and the 2008 labour force survey showed that 565,000 households live in cramped conditions. The tragedy is that the situation has got worse, and it is has done so in a boom time. It has got worse at a time when the Government were throwing money into supposedly relieving poor conditions and overcrowding. Only 1 per cent. of owner-occupiers were classed as being overcrowded, yet social overcrowding has become worse under this Government's watch.

Shelter, the housing charity, has said:

"It's shocking that in the 21st century we are seeing a rise in the number of people trapped in cramped, squalid conditions that have more in common with the Dickensian era than those of a modern nation."

Given that more and more people may well, as I have said, be living in overcrowded conditions, and more children will be staying at home, the Government have to accept that they have been part of this problem. The failure to provide enough housing for those most in need has been well established. Less housing has been built under this Government than under previous Conservative Administrations. The current level of construction of social housing is running at a fifth of what it was in 1997.

Women are being disproportionately most affected by this situation. The number of single women waiting on social housing lists has increased year on year since 2003—it has been rising by 77 per cent. across those councils that have specifically recorded information on women. The increase in the number of homes being repossessed, which will also mean that more and more will be seeking those scarce social housing vacancies, will, I am sure, lead to increased pressures and increased hidden homelessness, whereby women, particularly young women, will end up sofa-surfing or staying with inappropriate partners or in inappropriate relationships simply to have somewhere to lay their head for the night.

It was very interesting that the "Homes Fit for Families" report by the Family and Parenting Institute pointed out that the increase in house repossession may lead to a rise in family arguments, sleep deprivation, lack of privacy for parents and poor attainment at school. Nothing much has altered since 1928. Why have the Government burdened the housing market with the home information pack, which does not work, and why did they encourage people to take out inappropriate mortgages, when they should have been in either private or social rented housing that was affordable and within their means?

The report highlights the serious emotional turmoil of living in a cramped house. One survey found that as many as 74 per cent. of parents living in overcrowded homes are sharing their bedroom with children, which naturally leads to a lack of privacy. The stress of domestic tension caused by overcrowding affects women more, as was revealed in the press yesterday. Marital stress increases heart disease in women, but not in men, according to the medical profession. A strained relationship affects women's mental health, increases their blood pressure and the risk of obesity and leads to high cholesterol levels. All those factors contribute to increased risk of heart disease. How much will those problems increase if the Government do not deliver enough social housing or relieve overcrowding by freeing up the housing market?

The Government have to take responsibility. It is no good saying that all the bad loans started in the US: we were culpable here. Adam Sampson appeared before the Communities and Local Government Committee and I asked him whether we were enshrining a rump lower class by saying that people had only made it in life if

[Anne Main]

they had bought their own home. He more or less agreed with that statement. When people were told that they must buy, no matter whether they could not afford to do so or how little a part of a house they could afford, very little emphasis was placed on delivering social housing, so this Government have presided over a massive increase in statutory overcrowding. That is not a record of which to be proud. It will haunt us in the future, with people facing job losses, home repossessions, returning to live with their mum and dad—who may be very elderly—or putting up members of their extended family. When people lose their homes, they lose their security. We will see a return to Dickensian conditions and, as Adam Sampson of Shelter said, the Government should be ashamed of that. In years to come, we will see the results.

5.22 pm

Angela Watkinson (Upminster) (Con): I am sorry that my hon. Friend the Member for Shipley (Philip Davies) is not in his place, because I want to start by agreeing with his intervention in the opening speech when he pointed out that the economic downturn affects everybody and not just women. In a way, it grieves me that we need to have this debate, because women are 50 per cent. of the population, if not slightly more. I venture to suggest that we probably do slightly more than 50 per cent. of the work.

I am delighted that my hon. Friend the Member for Epping Forest (Mrs. Laing) is in her place, because I want to disagree with her. She said that women think differently and do things differently. I could not agree with her less. I like to think that we are all, male or female, individuals. There is an enormous spectrum of behaviour and opinion, and sweeping generalisations about enormous groups of people can be a bit inaccurate.

The one really significant difference between men and women is that women have children and men do not. I want to concentrate my remarks on how that affects women's working and social lives. There is an inextricable link between women's reproductive lives and their financial welfare, and that is the root of the problems that all the previous contributions to the debate have described. What we need is fair treatment, and what we do not want is positive discrimination.

I want to concentrate on one aspect of the debate that has not been mentioned today: unplanned teenage pregnancies. When that happens, the girl's economic future is in ruins. We need to look at the reasons the incidence of unplanned teenage pregnancy in this country is so high. I understand that in 2007, which is the last year for which statistics are available, there were roughly 8,000 unplanned teenage pregnancies, three quarters of which were to girls under the age of 15. We need to look very seriously at why that is happening and at what we can do about it.

One reason for those pregnancies is a lack of aspiration and ambition among girls who have been brought up in workless households, where they have been shown no good example or good practice, where there is no work ethic and where the parents might not have had a good experience at school, have not achieved and have not gone on to further and higher education. We need to do much more for those girls, who think that the easy route to life with a free flat and free benefits is to have a baby. They do not realise how isolating and difficult that life will be or that it is not nearly as glamorous as they thought. Living in isolation in a council flat with the responsibility of a baby 24 hours a day is not a glamorous lifestyle option. We need to give these girls aspiration and ambition so that they can move forward in their lives and leave having families until they are emotionally and financially secure and mature enough to handle it.

In the 1950s, careers advice for girls in schools went along the following lines: there were only two respectable occupations for girls, which were teaching and nursing. A girl who did not want to do either of those things was a lost cause. Thank heavens that careers advice is very different now and that the whole spectrum of employment is available and open to girls. They need to be encouraged to consider jobs that have either not been traditionally for women or have not been favoured by women in the past. The television programmes about cooking at the moment feature a range of male chefs, which might encourage boys to follow cooking as a career. We need to get away from gender stereotyping in the employment world.

I tried to bring in a ten-minute Bill last year that would have obliged anybody who gave advice to an under-age child—that is, a child under the age of 16—on contraception or abortion to inform the parents first. It was a very small proposal, and I thought that it was a very common-sense Bill to introduce. I was taken aback by the opposition to it and it did not proceed. I think that it would have been a very important step in helping girls to consider how to manage their reproductive lives wisely and to delay becoming sexually active until they were old enough to cope with the outcome.

If any girl stood on the corner of the street with a collecting tin, shook it, and said "I might be going to have a baby because I've got careless sexual habits, will you contribute towards looking after it?", how many people do hon. Members think would put money voluntarily into that collecting tin? Girls have to be taught real-life sex education in schools so that they know that if they become pregnant they will be left with the responsibility of that child. They may or may not know who the father is, and the extended families of the two young parents should be taking responsibility for that baby. Too often, the girl is on her own at a tender age. She has not finished her education and she is not equipped for work. She is barely equipped to look after herself, let alone a baby, but she is left with that huge responsibility. Her employment prospects are set back for years, and her further education prospects are set back for many years, until the child is old enough and she can pick up her life again. These are very important points to consider, because the incidence of unplanned pregnancy in this country is shamefully high. A lot of talent is wasted because women are diverted into bringing up children when they are far too young and before they are ready to do so.

Employers should be aware that women with children are a very good deal in the workplace, because they are all multi-taskers. Any woman with several children and a job who runs a home will do a million things every day. She will get out of bed in the morning and get herself ready, then make sure that the children are having their showers and cleaning their teeth. She will

put out all the clean clothes that they need, and then make their breakfast. She will make sure that they have all the cookery equipment, sports gear and everything else that they need to take to school. She will give them their breakfast, and possibly even prepare a casserole and put it into the oven so that it can cook all day while she is out. She will take the dog for a walk and the children to school, and then she will go to work.

When she is at work, a woman will switch off. She will take her domestic brain out and put her working brain in and do her job for the rest of the day. When the day is over, she will probably do some food shopping on the way home, then she will welcome the children home, give them their dinner and help them with their homework.

It is like being on a treadmill, but women can do all those things. They can do half a dozen things at the same time, and all their skills are transferable. They are immensely valuable in the workplace, but women do not sell themselves aggressively enough so that employers realise what multi-taskers they are.

The debate is about supporting women through the economic downturn and in the future. The best support that we can provide now is to enable women—and especially those running homes and families—to make every pound do the work of two. There is a great talent in that, and anyone who has experienced difficult times when money has been tight will know how to cut a halfpenny in half. We need to look to the older generation, as they remember the post-war years when everything was in short supply. They know how to cut the cost of living.

The older generation has a wealth of information and knowledge about such matters. Young people brought up in the days of plenty and the throwaway economy, when everything could be replaced and there was never a shortage of money, may never have had to economise in their entire lives. They could tap into the wisdom of older people because, suddenly, they are having to go through an enormous culture change in their lives. Now, they are short of money and they need to keep their homes and families going. They should look to the older generation, because the oldest people in our communities can give them a huge amount of information, help and advice about how money can be saved.

We also need to make sure that young women get individual advice about finding employment and retraining. We should use the innovation and expertise available in the private and voluntary sectors to help women get into the workplace. In many families, the husband is the main breadwinner. If he loses his job, the wife will have to try to get back into work. However, she will need help: women returners are often low on confidence and do not understand what they have to offer. They need help and retraining so that they can present themselves to employers as the very valuable employees that they will be—reliable, multi-tasking, and of enormous value to any organisation.

John Bercow: I am sorry to press the rewind button, but my hon. Friend made an extremely interesting point about the older generation's expertise in managing effectively but frugally on tight budgets. Is she suggesting that some sort of informal—or even formal—grouping could be put together from extended families of aunts, uncles and grandparents? They have a lot to offer, but they might not share their expertise as widely as they could if they merely exist independently.

Angela Watkinson: I thank my hon. Friend for that intervention. While he was speaking, I started to think of those organisations, such as Age Concern, that concentrate on older people. We should tap into their experience and knowledge, as I am sure that they could be enormously helpful to the younger generation.

For the future, the best support that we can give young women is to ensure that they plan their reproductive lives wisely, so that they do not jeopardise their future earning capacity, education and training. Girls in schools need real-world, real-life sex education that tells them the real risks that they take if they are precociously sexually active and have children when they are too young; sex education should tell them that behaviour would change the course of their entire life. Giving lots of information about contraception clearly is not working, because in 80 per cent. of unplanned teenage pregnancies, the young people claim that they were using contraception.

Anne Main: My hon. Friend makes a hugely valuable point, but I would like her to include young men in what she says, because for every young woman left with a baby, there is a young man who was involved. There could be no sadder case than that of the young 13-year-old who recently featured in the papers as a father with a 15-year-old girlfriend. The sexualisation of our children, which I find incredibly worrying, applies to both sexes.

Angela Watkinson: I thank my hon. Friend; she makes a valuable point. The very fact that the boy posed on the front page of a tabloid newspaper shows the difference between attitudes now and several decades ago, when the story would not have been made public. I look forward to a culture in which people are much more careful, and in which there is planning in children's sexual lives, so that they are wise and think of their economic lives and their education before having children—that is, so that they get their ducks in a row. Most of all, I look forward to the day when gender becomes irrelevant.

5.36 pm

Mr. Mark Harper (Forest of Dean) (Con): This has been a very good debate, and there have been a large number of contributions from both sides of the House; there were six from Conservative colleagues, and six from Labour Back Benchers. I am sorry for the hon. Member for Hornsey and Wood Green (Lynne Featherstone), who speaks for the Liberal Democrats; there were no other Liberal Democrat contributions. It is a shame that her colleagues, both men and women, did not feel that the debate was as important as she said it was in her speech.

As my right hon. Friend the Member for Maidenhead (Mrs. May) mentioned, the title of the debate has changed since it was announced by the Leader of the House last week. Then, it was "supporting women and families through the downturn and building a strong and fair economy for the future". Mention of families has been expunged from the motion on the Order Paper today, as has mention of a "strong and fair economy". It is fairly clear from the economic record that the Government are clearly not doing very well in building a strong economy—quite the reverse. *[Interruption.]* The Leader of the House says that that is a cheap point, but it is a fair one. She changed the motion, so it is fair to point out the words that she left out. It is also fair to

[Mr. Mark Harper]

point out that "fair" is missing. She referred to, and was questioned about, the equality Bill; I will come to the issue of the timing of that Bill later. That Bill seems to be slipping, which is unfortunate.

I am glad that the right hon. and learned Lady has rejoined us in the Chamber. When I was researching for this debate, I noticed that she and I have something in common—well, almost; I do not want to worry her too much. I notice that she gained her BA in politics at the University of York. My researcher also gained a BA in politics, and if he is as successful in blazing a trail in politics on our side as she is on hers, the name Malcolm Morton might be heard in future.

This is an important debate, and the title refers to support for women for the future. After her mauling in the press this morning, I thought that the right hon. and learned Lady would like to know, as we are talking about support for women in the future, that she has a new fan in the *Evening Standard*. Its columnist Viv Groskop said today that

"desperate times call for desperate measures. And after years of steering clear of Harman, I'm coming round to thinking she should be our leader...Seriously, in light of the ongoing meltdown her good points are multiplying scarily quickly."

The headline is, "We need a woman at the top—bring on Hattie now", so there is some good news for the right hon. and learned Lady.

Yesterday, when the right hon. and learned Lady addressed the House while standing in for the Prime Minister, she was challenged by my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) about some important economic measures that the Government should bring forward—measures that will be crucial to whether women are affected seriously by the recession. She did not mention very many of them in her speech. I suspect that that is mainly because, as my right hon. Friend highlighted yesterday, they are yet to happen. He highlighted the Government's loan guarantee scheme, which was announced in January, was due to be launched on 1 March, and is still not operational. The jobs recruitment scheme has been delayed until April. The mortgage support scheme, which was mentioned by some Labour Members, if not the right hon. and learned Lady, is still being worked out with the banks. The guarantee scheme for asset bank securities is not starting until April, and the deal with Lloyds bank is still to be worked out.

Given the seriousness of the economic situation, which nobody disputes, we need urgent action. Some of those measures need to be implemented more quickly if we are to see economic progress for the future. That is why I was pleased that in her speech, my right hon. Friend the Member for Maidenhead set out some of the key concerns of women and families. Unlike the right hon. and learned Lady, my right hon. Friend mentioned women pensioners, who often rely on savings and will not have welcomed the cut in interest rates today.

My right hon. Friend also set out a number of positive proposals for action—our proposal on the national loan guarantee scheme, proposals for a community learning fund, proposals on compulsory pay audits for companies found guilty of breaking the law, a proposal for increasing flexible working, and some positive proposals to end violence against women.

I was pleased that my right hon. Friend mentioned the contribution of women to our armed forces. I had the great pleasure last weekend of visiting my local regiment, the 1st Battalion The Rifles in Afghanistan. They are doing an excellent job serving our nation and, sadly, have had some dreadful losses of personnel over the past few weeks. I met some of the women serving in our armed forces in Afghanistan, and I am glad to add my words of support to those of my right hon. Friend for all those who serve Her Majesty in uniform.

As is traditional in winding-up speeches, I shall run through the contributions to the debate. As I said, there were 12, so I shall not be able to dwell on them to the extent that they deserve. Briefly, we heard an important contribution from the hon. Member for Regent's Park and Kensington, North (Ms Buck), who spoke about child care and the worries that families have about debt. She was drawn into an interesting interchange with my hon. Friend the Member for Bromsgrove (Miss Kirkbride) about the respective records of different Governments. After that debate, matters were put straight.

The hon. Member for Hornsey and Wood Green, who speaks for the Liberal Democrats, made a comprehensive and wide-ranging speech. She pointed out that when the Government introduce the equality Bill, they may have a tough job persuading people, particularly on the subject of age discrimination. A worrying finding in the report from the Government Equalities Office was that a significant number of people, both men and women, think it right in a recession to get rid of older workers. By "older", they mean over 55. Attitudes will have to change when we debate the equality Bill.

The hon. Member for Amber Valley (Judy Mallaber) gave us an historical overview of the suffragette movement. She mentioned the importance of being equipped with skills in the recession, and referred to the problem of domestic violence. My hon. Friend the Member for Epping Forest (Mrs. Laing) brought an international dimension to the debate, which was fitting as we approach international women's day.

I know that the Solicitor-General will not forgive me if I do not remind her of my hon. Friend's mention of the Baroness Thatcher. As we approach the 30th anniversary of her election, I am sure the Solicitor-General will celebrate the fact of a woman Prime Minister, even if she cannot bring herself to agree with any of her policies. It was a groundbreaking moment when Mrs. Thatcher was elected—the first and still the only female Prime Minister of our country.

The hon. Member for Cardiff, North (Julie Morgan) said that yesterday she met the youngest female MP in the Afghan Parliament, again bringing an international dimension to the debate, and mentioned some specific issues near to her constituency and in the Principality of Wales, which was very welcome.

My hon. Friend the Member for Bromsgrove noted that the recession will impact on everybody, mentioning pensioners and reminding us of the Prime Minister's responsibility for the system of financial regulation that has so failed us. However, I would pick her up on one thing. In referring to the tripartite system of financial

regulation, she said: "If you give a job to three people to do, it will be done badly." That may be true in general, Mr. Deputy Speaker, but it is of course not true in the case of Deputy Speakers, where three people do the job incredibly well.

The hon. Member for Keighley (Mrs. Cryer) referred to different aspects of issues affecting women, particularly the genetic screening of women from areas where first-cousin marriages are common, and mentioned the Forced Marriage (Civil Protection) Act 2007, which has done so much to protect a number of vulnerable women.

My hon. Friend the Member for Buckingham (John Bercow) referred to the national minimum wage and its positive impact on women, especially poorer women at the bottom of the income scale. He then gave what he himself said was a radical and alternative view in advocating a sharp increase in the national minimum wage: a radical and alternative view from a radical and alternative Member of Parliament, if I may say so.

The hon. Member for City of Durham (Dr. Blackman-Woods) referred to research by the Government Equalities Office, to child care, and to domestic violence. She was on less certain ground when trying to defend the noble Lord Mandelson, with whom she did not seem to be entirely in agreement as regards his views on not extending maternity leave. I remind her that he speaks for the Government, so if she is supporting the Government, she will of course support the views of Lord Mandelson.

My hon. Friend the Member for Basingstoke (Mrs. Miller) talked about why women feel particularly vulnerable. She pointed out that they are often expected to be the main carer, urged all parties to take that matter seriously, and emphasised the commitment of my right hon. Friend the Leader of the Opposition by saying that he takes family-friendly working policies very seriously and has put them at the heart of our economic strategy.

Judy Mallaber: If the Conservative party leader is so concerned about those issues, can the hon. Gentleman explain why Members on his side of the Chamber voted against family-friendly policies on so many occasions?

Mr. Harper: If the hon. Lady checks her facts, she will find that that is not true. I will not go into detail, because I have only a minute left.

My hon. Friend the Member for St. Albans (Anne Main) talked about the importance of affordable housing. My hon. Friend the Member for Upminster (Angela Watkinson) mentioned the very important matter of young women taking control of their reproductive lives so that they have the best chance in life.

The equality Bill was mentioned once or twice, and it would be helpful if the Solicitor-General confirmed the timing. We were all expecting it by the end of this month, but we were told several times that we would see it in a couple of months or in a few months. Will she confirm whether it will be introduced in March, April, May, June, or even before the summer recess? It is worth remembering that building a fair economy for the future is very important. There is a huge burden of equality legislation on the statute book, and the advantage of a Bill that simplifies and streamlines that legislation will be to make life easier for business in this recession, rather than more difficult.

5.48 pm

The Solicitor-General (Vera Baird): Like my hon. Friend, and personal friend, the Member for Stockton, South (Ms Taylor), I found the contribution of the right hon. Member for Maidenhead (Mrs. May) less than constructive. She does, though, care about women's issues; at least, she does now, after 10 years of Labour party women putting them on the agenda. However, as she made clear today, she has a very hard row to hoe in a party that still has more than a fair sprinkling of neanderthals or, as one of its own members said, troglodytes.

It is also a pity that the right hon. Lady was obviously told from on high, as were the hon. Members for Bromsgrove (Miss Kirkbride) and for Forest of Dean (Mr. Harper), not to bother too much about women but to try to blame us throughout the debate for the economic crisis. Barren, too, were her comments on yesterday's summit; all she said is that it is a pity that it was not at No. 10 and only at No. 11. I agree with the hon. Member for Hornsey and Wood Green (Lynne Featherstone) that it was a superb experience—a fantastic collection of women talking great common sense and showing massive commitment to this Government's drive for equality. It is a great pity that the right hon. Member for Maidenhead could not say something better.

Mrs. May: Will the hon. and learned Lady give way?

The Solicitor-General: No. The right hon. Lady could have confined—[Hon. Members: "Give way!"] I will not. I do not have enough time to cover a lot of neanderthal points that have reared their head. It is a pity that the right hon. Lady cannot even be gracious when she must know that she was invited to make a speech at something we could have confined to ourselves.

I move on to the subject of the equality Bill, and perhaps the right hon. Lady might want to listen to what I have to say. She should not buy all the scare stories, as the hon. Member for Hornsey and Wood Green put it, that have been promulgated about the equality Bill. As I set out in a letter to the right hon. Member for Maidenhead as long ago as October, asking for her support for the Bill—I did not get a reply saying yes—it will have tough additional measures to deal with the pay gap, transparency and using public procurement as leverage. The alternative, three-clause Bill that was introduced by her noble Friend in the Lords, and which was analytically decimated by the noble Lord Lester of Herne Hill, may make her think that equality is more important than political manoeuvring and persuade her that she could support our Bill.

Mrs. May: Will the hon. and learned Lady give way?

The Solicitor-General: My hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck) had a terrible story to tell about the way bailiffs behave when they are let loose by a Tory council. Happily, there is a shift away from the use of bailiffs, as there has been by my own, Labour-controlled council. Of 2 million orders for liability in this past year, only 5,500 were dealt with by bailiffs. Let us hope that the Tories of Kensington get that point soon.

My hon. Friend rightly praised the huge, quantum improvement in child care brought about by this Government, and rightly cautioned, too, that child care

[The Solicitor-General]

businesses can suffer in the downturn. My right hon. Friend the Minister for Children, Young People and Families is watching that impact with care, receiving regular reports from Government offices. My hon. Friend the Member for Regent's Park and Kensington, North is right; it is something we must watch and something we must check if it starts to emerge.

The hon. Member for Hornsey and Wood Green talked about scare tactics, and made the powerful point that not only is there no clash between equality and prosperous business in principle, but that the opposite is true. There is plenty of research to show that businesses with more women at the top are more profitable, but as she points out, the impact assessment demonstrates that the long-term benefits on the figures are also in favour of business.

My hon. Friend the Member for Amber Valley (Judy Mallaber) made a characteristically powerful speech, showing the range of her interest. She took an intervention from the hon. Member for Upminster (Angela Watkinson) that I want to refer to, because the hon. Lady said that women had to leave if they complained about domestic violence. In fact, the police will arrest and either keep in custody if the court can agree, or bail on condition to keep away, any man whom they arrest for domestic violence. Soon there will be restraining orders to keep them away, but at the moment injunctions can keep them away. I am not saying that that is how it has always worked, but I caution the hon. Lady against suggesting that if a woman complains under the current system, they have to leave—because we want women to complain.

The hon. Member for Epping Forest (Mrs. Laing) was lyrical, as ever, about the virtues of Baroness Thatcher. I assume that she supports the flat earth society as well. She made a very good point, though, that we must not allow the downturn to cut overseas aid, particularly with regard to maternity. We support millennium development goals four, on reducing child mortality, and five, on improving maternal health, and we have no intention whatsoever of resiling from our commitment to them.

Working women in my constituency will goggle at the hon. Lady's notion that she cannot manage to pay for her child on her parliamentary pay. She gets £62,000—the national average wage is £24,000. That foolish utterance, and her adoration for the Prime Minister who showed her womanly qualities by taking milk off kids—[HON. MEMBERS: "Oh!"]—but whom we just call job snatcher—

Mrs. Laing: Will the hon. and learned Lady give way?

The Solicitor-General: I will not. She has made a most mellifluous—

Mrs. Laing: On a point of order, Mr. Deputy Speaker. The hon. and learned Lady has insulted me from the Dispatch Box and will not allow me to defend myself.

Mr. Deputy Speaker: Order. These are matters for debate. I tread very gingerly on a day such as this, but I do think that we can manage our affairs with a little more decorum.

The Solicitor-General: I will repeat what I have just said, so that the hon. Lady can understand that I do not insult her at all. I say that in her championing of a Prime Minister who showed her womanly qualities by taking milk from kids, but whom we in the north simply call job snatcher, the hon. Lady made a most mellifluous contribution to Labour's next election manifesto.

My hon. Friend the Member for Cardiff, North (Julie Morgan) rightly said that the pay gap is complex. Nobody tells girls who choose caring jobs, for instance, that they are going to get paid less. It is complex indeed.

My hon. Friend the Member for Keighley (Mrs. Cryer), a woman who is praised from all parts of the House, showed her undoubted sympathy for all the people in her constituency, and her understanding of the diverse communities there, from which she does not come, is quite remarkable. Her courage in supporting the victims of unacceptable cultural impacts, from those communities and her own, make her a stalwart. We shall miss her.

The hon. Member for Buckingham (John Bercow) made two points. Suffice it to say that I will be his messenger to the Department for Business, Enterprise and Regulatory Reform on both.

My hon. Friend the Member for City of Durham (Dr. Blackman-Woods) made telling points, including her own observations on the paucity of what the Opposition have to say about women. The hon. Member for Basingstoke (Mrs. Miller), in so far as she focused on the issues, made a balanced and helpful contribution.

My hon. Friend the Member for Stockton, South set out a realistic picture of the impact of recession on ordinary people—compare and contrast with those who cannot manage on 60 grand a year.

The hon. Member for St. Albans (Anne Main) made a point about the stress that women face, and the important point that we must protect and support action in this recession not only in cash but in kind.

The hon. Member for Upminster talked about the woman's world as being making breakfast, popping a casserole into the oven and then popping out to do her secretarial job. In that somewhat 1950s picture, she missed out the time to make up prettily and the time for hubby to come home.

We need an organised careers structure for women who have children. We still behave as though they were an unexpected oddity in a world of work in which the norm is 40 hours a week for 40 weeks a year for 40 years. It is not acceptable that mothers are expected to pick up the dregs of what is regarded as second-level work that can be delegated to part-timers. That is where a massive amount of the pay gap is derived—only low-skilled work is available, even to the most highly skilled mothers. No less than 50 per cent. of women who work part-time work below their own skill level, which is not acceptable. We have done a great deal on flexible working for women who are in work, but returners face a wall of 9-to-5 jobs with no right to ask for anything different.

We have done a great deal to try to solve those problems and moved the agenda far forward. It is none the less clear that there is a lot still to do. I wish that I had not been reduced to political adversity in this argument, because—*[Interruption.]*

Mrs. May: Will the Solicitor-General give way?

The Solicitor-General: The opportunity for a really valuable debate about this issue ought not to have been lost.

Mrs. May: On a point of order, Mr. Deputy Speaker. Could you perhaps inform the House of something? I thought that it was a matter of the conventions of the House that when a Front-Bench spokesman attempted to intervene on the speech of another Front-Bench spokesman, way was given so that that intervention could be made. This is supposed to be a Chamber for debate.

Mr. Deputy Speaker: I say to the right hon. Lady that it is normal practice for that to happen, but it is entirely a matter for the Minister at the Dispatch Box whether to decide to give way.

The Solicitor-General: The right hon. Member for Maidenhead took a significant amount of time, and I have far less time than she had.

To support women in this downturn, we have a strategy, a Bill and the leadership of my right hon. and learned Friend the Minister for Women and Equality. We also have a real commitment to all the equalities, which, as the many contributions—

6 pm

Motion lapsed (Standing Order No. 9(3)).

USE OF THE CHAMBER (UNITED KINGDOM YOUTH PARLIAMENT)

Motion made,

That this House welcomes the work of the United Kingdom Youth Parliament in providing young people with an opportunity to engage with the political process and bring about social change; notes that many hon. Members from all parts of the House are actively involved in the work of the UK Youth Parliament; and accordingly resolves that the UK Youth Parliament should be allowed for this year alone to hold its 2009 annual meeting in the Chamber of this House.—*(Mark Tami.)*

Hon. Members: Object.

PETITION

Schools (Liverpool)

6 pm

Mr. Robert N. Wareing (Liverpool, West Derby) (Lab): The petition, which I am proud to put before the House, concerns the Croxteth community comprehensive school in my constituency. The school is in a very disadvantaged area, and it does not surprise me that there are more than 3,000 signatures on the petition. They are, of course, the signatures of parents and teachers, but not exclusively so. Many people in the local community take pride in the school. Croxteth has been in the news in these difficult times because of social problems—it is the area, incidentally, in which the youngster, Rhys Jones, was shot—and the people there are very proud to have this community comprehensive school. They have therefore got together and signed this petition. I am sure that, if it is listened to and acted upon sympathetically by the Secretary of State for Children, Schools and Families and by the local authority in Liverpool, that will be appreciated not only by the head teacher, who has plans for expanding the school's role in the community, but by the 3,000 signatories, who represent the tip of the iceberg in terms of the people who are supporting the school.

The petition states:

The petition of Parents Against Closure and other supporters of Croxteth community comprehensive,

Declares that Croxteth Community Comprehensive, a specialist college for business and enterprise, has been earmarked for closure; notes that the college plays a vital role in the local community; and further declares that the proposed closure of the college would be highly detrimental to the local community and at odds with Liverpool's role as the European Capital of Culture.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Children, Schools and Families to take action and engage with the local authorities to ensure that Croxteth Community Comprehensive remains open and continues to be able to serve its community.

And the Petitioners remain, etc.

[P000319]

Men's Health at Work

Motion made, and Question proposed, That this House do now adjourn.—*(Mark Tami.)*

6.3 pm

Dr. Howard Stoate (Dartford) (Lab): Thomas Carlyle once said that

"work is the grand cure of all maladies and miseries that ever beset mankind".

How right he was. Work, or, more specifically, getting a job, maintaining a job, and, most important of all, deriving a sense of personal fulfilment and satisfaction from that job, is the key to good health. Men's health outcomes, in particular, owe much to the type of work that they do and the amount of time and energy that they devote to it. It defines who they are and their place in the world. Even today, men spend far more time in the workplace during their lives than women do. Not only are there more men employed than women—some 1.5 million more, in fact—but there are twice as many men in full-time work as women. Men also work much more overtime than women, and 30 per cent. of men work more than 45 hours a week, compared with 10 per cent. of women. Furthermore, because of the traditional differential in the retirement age, men still tend to work to a greater age than women.

When we consider the extent to which work continues to dominate the lives of men, it is little wonder that they make much less use of primary health care provision than women. The fact that access to most primary care services is still predicated on where people live, rather than on where they work, means that it is much more difficult for men to gain access to help when they need it. That is not the only reason we have this gender gap, as there is a whole range of cultural and psycho-social reasons why take-up is lower among men, but the difficulty men face in simply getting to a GP practice is undoubtedly part of the problem.

There is good evidence to show that if we provide health services in environments that are more accessible to men, such as in the workplace, men do take advantage of them. For example, Royal Mail, 85 per cent. of whose work force is male, introduced a health awareness programme in 2004 as part of a wider scheme to reduce employee absenteeism. The scheme succeeded in reducing employee absenteeism from 7 per cent. to 5 per cent. between January 2004 and May 2007—equivalent to putting an extra 3,600 employees in work. A report by the London School of Economics calculated that if the 13 sectors of the economy with the highest absence rates followed Royal Mail's lead, the resultant reduction in absenteeism would be worth £1.45 billion to the UK economy.

The Work Fit programme developed by BT is another example of an effective workplace-based health initiative aimed at men. BT, 75 per cent. of whose employees are male, commissioned the Men's Health Forum to develop a lifestyle improvement programme that would appeal particularly to men. The resulting Work Fit programme was a 16-week scheme delivered mostly online, which focused on nutrition and physical activity. More than 16,000 staff, three quarters of whom were male, registered to participate in the scheme, and 6,000 were successfully tracked over the course of that 16-week programme. Each participant lost an average of 2.3 kg during the programme and a six-month follow-up found that most had managed to sustain the progress they had made.

The success of those initiatives underlines the value of workplace-based health schemes. The NHS needs to work closely alongside employers, unions and industry associations to ensure that such schemes are more widely disseminated across the country. There is no reason why many of the services provided in traditional NHS settings could not be delivered just as well in workplace settings. Basic health checks, screening services and some routine GP appointments are among the services that could easily be provided in the workplace.

Not only do workplace-based schemes produce tangible results in terms of improved health and higher productivity, they also help the NHS to meet its obligation under the gender Equality Act 2006 to ensure that services are delivered more equitably between men and women. The value of gender-sensitive approaches in enhancing the effectiveness of workplace-based health initiatives is also acknowledged in Dame Carol Black's review of the health of the working-age population, "Working for a healthier tomorrow".

It is clear from the Department of Health's willingness to give its backing to last year's national men's health week, which looked at health in the workplace, that the Government appreciate the vital importance of this issue. The mini-manual produced for men at work that was funded by the Government is evidence of that, but we need to do more. The Men's Health Forum is organising, with Department of Health support, an expert symposium on 18 March to look at those issues and I am told that Carol Black, the national director for health and work, will be speaking at it. I hope that the Minister will look seriously at the outcomes and recommendations for policy, practice and research that arise from this event.

The centre for men's health at Leeds Metropolitan university has already identified a need for research to look at what we know, what we do not know and what we need to know regarding the promotion of men's health in the workplace. I would like the Department of Health to work closely with the Men's Health Forum, which I am pleased to see is now a strategic partner, on developing this agenda.

I would like to move on to the importance of good work for a man. I have focused so far on the role of the workplace as a means of helping men to gain better access to health services and information, but I want to return now to the issue I started with—namely, the relationship between work itself and the health outcomes of men.

We know now that the quality of employment has a direct and quantifiable impact on people's health, life expectancy and life chances. Arguably, that applies even more to men than women, given the residual importance our culture continues to attach to the role of the man as a successful breadwinner. Yet while it is clear that unemployment has a particularly corrosive effect on the physical and mental health of men, there is now equally strong evidence to show that having a good job is considerably better than having a bad job as far as men's health is concerned.

Poor-quality work among men is associated with low levels of well-being, a higher incidence of physical or mental illness, low levels of self-esteem and a sense of

powerlessness. In the Greek myth, Sisyphus was punished by the gods for his deceit by being condemned to work without purpose. His punishment was to roll a large boulder up the same hill, without purpose or object, for eternity. Every time he reached the top, the boulder rolled back down the hill and he had to start all over again. As Albert Camus said, the gods

"had thought with some reason that there is no more dreadful punishment than futile and hopeless labour."

As humans we need purpose and meaning in our lives, and work, along with family, is the primary vehicle through which meaning is created. To quote Kant:

"If a man has done much he is more contented after his labours than if he had done nothing whatever; for by work he has set his powers in motion".

We are much better off—socially, physically and spiritually—when we have work that offers us a chance to find an outlet for our creative spark and also provides us with a degree of stability and rootedness.

The famous Whitehall study of British civil servants, carried out by Michael Marmot, emphasised that point. He found that people in those grades that do the most routine work experience the most rapid clogging of the arteries. Between the ages of 40 and 64, those in the bottom grade were four times more likely to die than those at the top.

In a recent book, "The Craftsman", Richard Sennett, the sociologist, underlined the importance of "craftsmanship" in human society. The craft process, whereby we select our materials and then manipulate them, using our skill and experience to create something of tangible value, is a necessary human experience, and without it we are lost. The craft process lies at the heart of all "good work".

What do I mean when I talk about "good work"? According to a recent Work Foundation publication by David Coats and Rohit Lekhi, "good work" can be said to embrace the following features: employment security; work that is not characterised by monotony and repetition; autonomy, control and task discretion; a balance between the efforts that workers make and the rewards that they receive; whether the workers have the skills they need to cope with the demands pressure; observance of the basic principles of procedural justice; and strong workplace relationships.

In some of those areas, we have made very good progress over the past 12 years. Nevertheless, it is clear that we still lag behind many of our European neighbours in a number of areas. Take the measure of job quality, for instance: according to a recent Eurobarometer study, the UK has marginally more low-quality employment than France and Germany, and significantly more than the Nordic countries.

Nearly 70 per cent. of jobs in Denmark are deemed to be of high quality, compared with only 42 per cent. in the UK. The Danish experience shows just what can be done when reasonably tough employment laws, high-quality active labour market programmes and high benefits are combined. That creates an inclusive labour market with decent work for the overwhelming majority of employees, which results, unsurprisingly, in a happier and healthier population.

On some measures, though, there is evidence to show that we have actually gone backwards rather than forwards over the last 20 years. Job control is one such example. According to a recent Economic and Social Research Council skills survey, there was a marked decline in job control between 1992 and 2006 across all occupational groups. Those in skilled trades were only moderately affected, but associate professionals, those in "elementary" jobs and personal service workers experienced a sharp reduction in task discretion.

The employees surveyed reported that their efforts are increasingly subject to external sources of control—specifically, closer supervision, more intense pressure from customers, more peer pressure from colleagues, a closer relationship between pay and performance, and more intrusive performance management systems, among others.

The growing use of information technology-based management systems, for example, means that the working practices and outputs of many employees are far more closely monitored than they were a generation ago. They are obliged to work in very structured fashions, which leaves little room for flexibility or discretion and is also inherently more stressful. It is unlikely that they are receiving any additional pay by way of compensation.

As many as half of all employees are now affected by information and communications technology-based systems of that kind—everyone from employees connected to electronic point-of-sales systems at retail checkouts and call centre operators to clerical staff operating computers, and professionals and managers, who use networked computing services, including e-mails, intranets and the internet.

While many employers may congratulate themselves on introducing technology that allows them to monitor and manage the performance of their employees in such an accurate and cost-effective fashion, it is clear that most employees are not quite so appreciative. The consequence of a decline in job control and task discretion is that employees no longer feel that they are active participants in their organisations. Their sense of commitment diminishes, they feel less responsible for the consequences of their actions and they feel increasingly dissatisfied. That is not only bad for the health of the business, but even worse for the health of the employees.

Senior executives often talk about the stresses involved in holding down a powerful, high-profile job. Stress of that kind is nothing, however, compared with the stress involved in holding down a post where the person has no, or next to no, control over the work they do. The security guard in the entrance lobby is far more likely to have a heart attack than the so-called highly stressed executive who sweeps past him every morning.

Yes, lifestyle factors play a part, but the studies that have controlled those factors point to job-specific factors such as job control and task discretion and the culture of the organisation as the major causal factors. It is clear that until we tackle the inequalities in the pay, status, autonomy and job security of different groups of workers in so many British workplaces, we shall have no chance of ironing out the marked social gradient in health that is now apparent among men in Britain.

The 2005 European Working Conditions Survey tells us that many of our neighbours have been more successful than us in enabling employees to maintain a sense of job control and satisfaction. Denmark, Finland, the Netherlands, Norway and Sweden all perform substantially better than we do in terms of employee autonomy in

[Dr. Howard Stoate]

the workplace. I believe that there are two main reasons those countries perform so well. First, union density is very high in all of them. A strong union presence helps to neutralise attempts by employers to impose more controls on the working practices of their employees. Even if those attempts are not always successful, the fact that employees know that they have the union on their side, fighting their corner, makes them feel more in control, which is almost as important.

The second reason is that all those countries have invested heavily in workplace reform programmes. All their Governments have understood the importance of trying to improve, or at least protect, the quality of its citizens' working lives, and have invested heavily in programmes that focus on job enrichment or on improving companies' productivity or organisational performance. It is reasonable to suppose that that investment has helped to keep those countries ahead of their EU competitors in terms of the extent of the autonomy that exists in their workplaces. It has probably played at least some part in helping to improve overall health outcomes and minimise health inequalities among the working population.

What measures should our country be taking to improve its outcomes? One thing that we ought to be doing is ensuring that employees' rights that are already on the statute book are properly implemented. Earlier this year, the TUC estimated that at least 1.5 million employees were not receiving the national minimum wage. A national minimum wage helpline has now been set up that allows employees to make complaints about their treatment, but more needs to be done to boost awareness of that service among people in lower-paid occupations, and to make them confident enough to use it.

Many employees are reluctant to take action even when they know that they are being exploited, either because they are worried about how their employer will react or because they do not think that action would be taken in any event. Perhaps the best way of addressing that fear is to continue to promote the advantages, or more specifically the protections, that union membership provides. As well as investing in enforcement measures, we need to consider what practical steps can be taken to help employers to improve the job quality of their employees.

One possibility is the establishment of a "workplace innovation challenge fund" to provide pump-priming funding for employers who are interested in introducing programmes of job enrichment, empowerment initiatives aimed at enhancing autonomy, and new forms of work organisation. We could also insist that companies provide more detailed information about health and safety performance—including the measures that they have taken to improve job quality among employees—in their annual reports. That would help to focus corporate Britain's attention on the importance of job quality as a means of helping to improve the health, the well-being and, ultimately, the performance of employees. Given that the best-performing companies are invariably those that invest most in improving job quality, other companies, seeing their success, would be encouraged to follow their lead. In time, a focus on job quality could be seen as an essential feature in the blueprint of a successful organisation.

I also support the current move to end the British opt-out from the European Union working time directive. Among the EU 15, only Spain has a higher percentage of workers than Britain who work more than 48 hours a week. I am convinced that bringing Britain into line with the rest of Europe would have an appreciable impact on health outcomes. After all, there is compelling evidence to suggest that excessive working time can have an adverse impact on both physical and mental health, and can expose employees to the higher risk of workplace accidents.

Some people will doubt whether a time when Britain is in the middle of an economic downturn is a good time at which to be focusing on job quality issues, but I believe that now is precisely the right time to be thinking about such issues. Investing in people will ensure not only that corporate Britain remains competitive in the downturn, but that we are well placed to flourish and grow in better times ahead.

Noel Coward once said:

"Work is much more fun than fun."

As a famous, well-paid actor and writer who had almost total job control, he was well placed to make such a remark. It is very unlikely that we shall ever see a time when the majority of the working population would also, without hesitation, describe their work as consisting entirely of fun; but if we can make men's experience of work more positive, so that work becomes an opportunity for personal growth and fulfilment, we shall have taken a huge stride forward in terms of improving their sense of health and well-being, and consequently their health outcomes.

I realise that many of the issues that I have raised are beyond the strict remit of my hon. Friend the Minister. However, I believe that, as the lead Department in the tackling of health inequalities, the Department of Health has a vital role to play in making the case across Whitehall for more concerted action to help to improve men's and women's experience of work. By focusing on that, the Government have the opportunity to make a real dent in the level of inequality in this country.

6.20 pm

The Parliamentary Under-Secretary of State for Health (Ann Keen): I congratulate my hon. Friend the Member for Dartford (Dr. Stoate) on securing this important debate and on the content of his speech, which as always was informative and interesting. This is quite an historic occasion, in that a general practitioner has initiated the debate and the response from the Dispatch Box is coming from a former nurse. This occasion should be noted for its history, as well as for the fact that, having had a debate on women's issues, we should be ending our parliamentary day by debating the importance of men's health.

There are many areas of concern for both the mental and physical health of men. Some of the facts and figures can make startling reading. Although nationally life expectancy is the highest that it has ever been, the biggest health inequality that exists between men and women is the fact that a man is still likely to die earlier than a woman. You cannot get much more unequal

than that, Mr. Deputy Speaker. The gap is even wider for men from less affluent backgrounds, as my hon. Friend stated so well. We do not yet fully understand the reasons for that, but one possibility is that men are more vulnerable to the wider determinants of ill health, such as poverty and, sadly, unemployment. That is a particular concern at the moment because of the economic downturn. The inequalities that were so admirably raised by my hon. Friend will be addressed by all Departments.

We need to find ways of protecting the population, of course including men, from the harmful effects of the economic forces that are raging around us. One way to do that is by encouraging them to take better care of their health. By so doing, we will not only improve men's life expectancy and well-being; there will also be a cachet, in that that could, in turn, improve their capacity to contribute to the economic life of the country. Thus, what could otherwise be a vicious circle could turn into a virtuous one. Nowhere is that more apparent than in the workplace. We know, for example, that engaged, healthy employees are likely to be absent less, more fulfilled at work and more productive. In November 2008, the Government published "Improving health and work: changing lives," their response to Dame Carol Black's review of the health of the working-age population. The response has three key areas: creating new perspectives, improving work and workplaces, and supporting people to work.

In January 2009, the Secretary of State for Health also announced a joint Department of Health and NHS review of the health and well-being of the NHS work force, in partnership with both employers and staff. The Department, as an exemplar employer, has also established a health, work and well-being board and launched its health, work and well-being strategy in December 2008. My hon. Friend the Member for Dartford mentioned the excellent work of the Royal Mail, which has contributed to the well-being of its work face. I am pleased to say that Dr. Steve Boorman, who was part of the Royal Mail and is now seconded to us, will lead our work force on occupational health.

All those initiatives will help both men and women, but there are reasons to believe that they may be particularly beneficial to men. We know, for example, that getting men to go to the doctor when something is wrong can be a real task and that they are often pushed into going by mothers, wives, girlfriends and sisters. We need to get the message out to men that going to see their GP as soon as they realise that something is wrong can make a world of difference to them.

Michael Jabez Foster (Hastings and Rye) (Lab): I apologise for not being in the Chamber at the start of the debate, but will the Government's plans to widen access to surgery times not help in that direction?

Ann Keen: My hon. Friend is absolutely correct: that is part of the reason people who have difficult jobs and difficult work situations, and who cannot necessarily be paid if they take time off work, need longer opening sessions. Early detection of some conditions can even mean the difference between living or dying from that disease. One reason men do not go to the doctor may be that they are reluctant to take time off. Workplace-based health programmes may help them to overcome some of those barriers.

Unhealthy lifestyles may be another reason men live less healthy lives than women. Some conditions, such as sexually transmitted infections, can be treated very simply and quickly, and of course may prevent partners from becoming infected, too. The embarrassment of such diseases is being overcome by the initiatives taken in many clinics to respect privacy and dignity.

Men often have less healthy diets and higher alcohol and drug intake. They are involved in more accidents and are more likely to commit suicide.

The Department of Health does an enormous amount to try to get the right messages out about having a healthier lifestyle, eating better and exercising more, so that everyone has the opportunity for health and well-being. However, we know that men respond better to different forms of information and health messages. Linking health messages to football is one sure way of getting many men's attention. Only last week the Minister of State, Department of Health, my right hon. Friend the Member for Bristol, South (Dawn Primarolo), spoke at an event about "premier health". The premier league, using the power of football, is engaging children and young people in participation in sport and in intervention programmes that address key social issues. It is well known that many men and boys have a real passion for football. I do not forget my sisters—women have that passion, too, but the sport is attended more by men and young boys. Football can engage, motivate and inspire people to achieve health. The Football Foundation is closely involved with us.

Of course, merely watching football may not always be the best thing for men's health. At times, I have experienced my hon. Friend the Member for Feltham and Heston (Alan Keen) watching football and I am not sure it has the best effect on his health—but that is because he supports Middlesbrough.

The Department works in partnership with other key players in men's health, particularly the Men's Health Forum. That essential partnership working ensures that we have expert input and that we reach far more men than if we were working alone. In 2008, men's health week focused on work and health, and the forum received more than £50,000 from the Department towards that initiative. The Health and Safety Executive also worked with the forum to produce a booklet, "Men and Work," which covers topics ranging from healthier eating to coping with stress. Men's health week 2009 is focused on men's access to health care services, based on the findings from a project that the forum carried out for the Department of Health in 2008.

The current direction of travel towards more individualised care, as set out in the next stage review, should help men to feel in control of their health. It could be another way of making them come forward. There are many other examples of the Department of Health working to improve the health of men indirectly or directly. The Yorkshire and Humber region has made men's health a priority and is working with the Men's Health Forum and Leeds metropolitan university, which has the world's first professor of men's health.

As we have seen, men are much more likely to take their own life than women, and are often reluctant to seek help when in distress. The national suicide prevention strategy in England was launched in 2002 with the aim of supporting the target to reduce the death rate from suicide and undetermined injury by at least a fifth by

[Ann Keen]

2010. In addition, we contributed towards production of the Haynes "Brain Manual" and "Brain Mini Manual," which the Men's Health Forum has published for men of all ages who are interested in becoming more aware of mental health issues.

A relatively new health trainer programme is having success in getting men to engage with their health and, most important, change their unhealthy lifestyle behaviours. Health trainers often live and work in the communities they serve, so they are seen as understanding what it is like to live there and what the problems in those communities might be. They know all the local services and can signpost people to them, and work across a variety of places in order to be easily accessible. When people go to see a health trainer, they choose what they want to work on and agree what they can manage. Nobody tells them what to do, and men, like all of us, respond well to that—there are no lectures, but real partnership working is encouraged.

In summary, the Department has chosen to improve men's health by ensuring that different health policies take into account their needs, including trying to improve their working conditions, encouraging them to have healthier lifestyles and urging them to come forward for help earlier. As my hon. Friend made clear throughout his speech, however, this is also about addressing inequalities. The Department of Health cannot do that alone. It depends on where people live and the job they do—if they have a job—and the money they earn, and that is the responsibility of all of us in this House.

I thank my hon. Friend for securing this debate on such an important subject, and for all the work he does on health in Parliament and outside.

Question put and agreed to.

6.31 pm

House adjourned.

House of Commons

Friday 6 March 2009

The House met at half-past Nine o'clock

PRAYERS

The Chairman of Ways and Means took the Chair as Deputy Speaker (Standing Order No. 3).

9.33 am

Philip Davies (Shipley) (Con): I beg to move, That the House sit in private.

Question put forthwith (Standing Order No. 163).

The House divided: Ayes 0, Noes 19.

Division No. 55] **[9.33 am**

AYES

Tellers for the Ayes:
Philip Davies and
Mr. Peter Bone

NOES

Binley, Mr. Brian
Chope, Mr. Christopher
Clark, Greg
Davies, Mr. Dai
Evans, Mr. Nigel
Greening, Justine
Hands, Mr. Greg
Harper, Mr. Mark
Heath, Mr. David
Kramer, Susan
Laws, Mr. David
Luff, Peter
Mackay of Mr. Andrew
Mackinlay, Andrew
Neill, Robert
Penning, Mike
Pritchard, Mark
Randall, Mr. John
Watkinson, Angela

Tellers for the Noes:
Mr. Tim Boswell and
David Mundell

The Deputy Speaker declared that the Question was not decided because fewer than 40 Members had participated in the Division (Standing Order No. 41).

Small Business Rate Relief (Automatic Payment) Bill

Second Reading

9.44 am

Peter Luff (Mid-Worcestershire) (Con): I beg to move, That the Bill be now read a Second time.

I sincerely thank the supporters of the Bill and of the campaign, especially the Federation of Small Businesses, for taking a lead, suggesting the measure to me and campaigning tirelessly on behalf of all our small businesses. Towards the end of my remarks, I will name some of the many other supporting organisations, to which I am grateful for all their support and advice, especially the Local Government Association. Its unqualified support for the Bill was an important factor in my decision to proceed with it.

I also thank the 115 colleagues from all parties who signed early-day motion 676 on the subject, and the 11 colleagues, again from all parties, many from the Business and Enterprise Committee, who sponsor the measure. I thank the Minister for Local Government and the Under-Secretary of State for Communities and Local Government, the hon. Member for Tooting (Mr. Khan), for their help and advice, for agreeing to a private meeting before today's Second Reading and for at least giving the impression that they sympathised with the Bill's objectives and might be tempted to support or adapt it, and introduce it with a package of other measures to help small businesses. We will wait and see what the Under-Secretary says in his winding-up speech.

The Bill should attract all-party consensus because its basic rationale can be found in the explanatory notes to the Local Government Act 2003, which introduced the small business rate relief scheme:

"Research published by the Government shows rates to be an especially heavy burden for small businesses, accounting for a significantly higher proportion of operating profits than in the case of larger businesses."

You will understand, Mr. Deputy Speaker, though the outside world does not always understand, that there are limits to what a private Member's Bill is allowed to do. I would have liked to do many things to help small businesses that lie well beyond the ambit of a private Member's Bill. To give specific examples, we cannot significantly change expenditure, or raise or alter tax rates or thresholds. The one criticism of real substance that small business people have made of the Bill—there are two exceptions, which I shall cover later—is its apparent lack of ambition in relation to business rates generally.

For example, I was recently approached by the owner of a Vauxhall car dealership in my constituency—heaven knows, car dealerships have been especially badly hit in the recession—who asked me to address the fact that business rates generally will increase by 5 per cent. at the beginning of April,

"via an historic RPI multiplier",

for which, he says, redundancies must pay.

I also received e-mails this week that highlighted the Scottish Government's abolishing business rates altogether for businesses with a rateable value below £8,000. I believe that those below £10,000 will receive a 50 per cent.

[Peter Luff]

reduction, and that those below £15,000 will get a 25 per cent. reduction. The Scottish package is attractive—I think I have understood it correctly. The Ministers and I agreed that it was complex, but I think that I have outlined its essence. It is certainly more attractive than what is on offer to Welsh or English businesses. However, sadly, a private Member's Bill cannot tackle those bigger issues.

Void rates on commercial properties are contentious and of great concern to small businesses, as well as medium and large businesses. Again, a private Member's Bill cannot address that.

I hope that the Under-Secretary is considering tackling some of the wider concerns later in the year, and that he will share some of his thinking on the matter later.

I am not trying to create a perfect Bill or a perfect situation. The measure is an attempt not to eradicate all problems, even those with the small business rate relief scheme, but to offer some practical assistance. It is simply another string to the Department's bow and to the Government's and Parliament's efforts to make life easier for small businesses. Other things need to be done well beyond changes to the small business rate relief scheme.

I do not pretend that the Bill is a cure-all or a panacea, but I believe that it constitutes a useful and important step forward. Indeed, the Federation of Small Businesses said in a statement that it gave me to read out:

"This cash injection could save many small businesses laying off staff or closing down completely. Our members fully support the call for automatic rate relief, a key theme of our Keep Trade Local campaign."

The Bill may have shortcomings and I am sure that, if it gets a Committee stage, we can discuss two specific changes in more detail. However, I believe that the Under-Secretary understands that the current position is unacceptable and can be improved. Approximately half of all small businesses currently claim the relief, leaving half not getting money to which they are entitled. The Bill is far from perfect—I do not claim perfection for it—but it would improve the current position and save jobs in the real economy.

At first, the Bill looked gleefully simple in its scope and attractive. However, Luff's law of politics applies: everything, when properly understood, is rather complex. I have examined some of the complexities of local government finance and rating systems as I have chewed through the Bill's detailed implications.

However, let us first deal with the measure's simplicity. It is, at its heart, a simple Bill—it is, I hope the House will agree, a commendably short Bill—with a simple aim: to ensure that small businesses, which are always struggling, but never more so than in a recession, get the help to which they are entitled by law. The Bill would create no new entitlements; it would just make it easier for small businesses to get what they are already entitled to. The Bill would also bring England into line with Wales, which has had automatic payments since April 2008, and help to close the huge gap in rates for small businesses between Scotland and England.

Today is not the time to discuss the way in which the banks treat small and medium-sized businesses, but that, too, has an important impact. A couple of years ago, before the current recession, small and medium-sized enterprises employed 13.5 million people—58 per cent. of the private sector work force—and turned over £1,440 billion. Some 95 per cent. of them employ fewer than five people—they are very small businesses indeed. Let me remind the House that if the Bill is passed, they would all still pay significant businesses rates. They would get a discount, not absolution from the bills. Apart from still paying small business rates, small businesses would be acting as tax gatherers, collecting pay-as-you-earn and national insurance contributions, and paying VAT where relevant and, if they are making a profit, corporation tax. Small businesses would all still be paying handsomely for our public services. It must be understood that the Bill would not be a free ride for small businesses.

Mr. Brian Binley (Northampton, South) (Con): And they pay to have their dustbins removed.

Peter Luff: Typically, businesses pay extra to have their dustbins removed, on top of paying their rates bills; I am glad for my hon. Friend's reminder.

Given their locations and the services that they provide, small businesses, such as post offices, village shops and pubs, are often crucial to many communities. Given the jobs that small businesses offer, we must do everything possible to help them at all times, but especially now. This is not a criticism of this Government, but it is easy for Governments in general to go for big businesses and the big opportunities that they present, but small businesses make a much bigger net impact on the real economy. Crucially, we need to look to the future and to recovery from this recession, whenever it comes. Because of their enterprise, many companies, if they survive the recession, will be the medium-sized and big businesses of tomorrow.

A fascinating statistic is that 64 per cent. of all commercial innovations come from small firms. We know that this country needs to innovate to stay ahead in the international competitive race. Small firms will play a key role in helping us do so, but many are in serious trouble. The Federation of Small Businesses has seen a 200 per cent. increase in phone calls to its small business helpline compared with last year. To take one example, small independent retailers seem to be in terminal decline across the UK. The accountancy firm BDO Stoy Hayward forecasts that 33,900 small businesses will close in 2009, which equates to 120 a day. I will not list all the statistics of doom and gloom, but one that particularly worries me, as a Member with a predominantly rural constituency, is that 42 per cent. of English towns and villages no longer have a shop of any kind. We must protect the shops that are still running.

I know that we are all growing weary of the noughts on public announcements—"What's the odd billion or trillion among friends?" one might ask. However, for small businesses, it is not billions, millions or even thousands; it is often hundreds of pounds that can make the difference between success and failure. That is why, despite its modest ambitions, the Bill is so important. The Bill could save many small businesses up to £1,200 a year. That might not sound like a large sum in the context of those billions and trillions, but it is a significant sum in the day-to-day struggle for survival of those small businesses.

Mark Pritchard (The Wrekin) (Con): My hon. Friend is making a powerful and persuasive case, and I congratulate him on introducing the Bill in such a timely manner. He will know that Worcestershire is similar to Shropshire and has many market towns. That £1,200 could make a real difference to whether a business survives. I therefore wish him every success and hope that the Government will support him today.

Peter Luff: I am glad that I gave way to my hon. Friend, as he is absolutely right. As I will remark later—I will give the House a trailer now—rural areas would be some of the biggest beneficiaries of the Bill, as would deprived urban areas. It is therefore an important Bill for market towns, as he suggests.

What I had not realised before I began looking into the Bill is that the rates bill is the third biggest expenditure that many small businesses face after wages and rents. Crucially, the rates bill must be paid irrespective of whether the business is making a profit. Small businesses can, with great sadness, cut the staff or their hours—I know how attached small businesses are to their staff—to see themselves through a recession if they have to. They might, if they are lucky enough, also be able to renegotiate their rents with their landlord or get some kind of holiday, but they cannot reduce the rates, which have to be paid.

The estimate of the number of small businesses missing out on the relief because they do not claim it is—I think from our discussions that the Minister and I agree on this—around one half. We do not quite know why they are not claiming. Perhaps those businesses do not know about the relief or think that the process may be complicated—and heaven knows, small businesses are flooded in paperwork these days—or perhaps they think that it is too good to be true and that there must be a catch. But the relief is not too good to be true: it is there and waiting to claimed. Frankly, however, the reason does not matter. The fact is that far too many small businesses are not getting the relief to which they are entitled.

There are about 1 million hereditaments—a technical term: properties—with a rateable value of under £10,000. Of those, roughly 765,000 are classified as factories and workshops, offices, shops, and warehouses and stores, which are probably the categories that have properties eligible for the small business rate relief. For anyone who is interested in seeing the picture for their area, the Valuation Office Agency has an excellent website, on which people can enter a postcode and see how many such properties there are in that area. Doing so proves, as I have said, that rural areas and deprived urban areas have disproportionately large numbers of small rateable value properties, so rural areas will get the greatest benefit.

It has been put to me by some people that the Bill is not necessary. We could just aggressively promote the current relief arrangements and get close to 100 per cent. take-up. Well, up to a point, Lord Copper, as Evelyn Waugh once said. The Local Government Association would not be so enthusiastically behind the Bill if it thought that the answer was that easy. The LGA is prepared to see what it believes will be a modest increase in the burden on authorities for two principal reasons. First, the LGA thinks it important that residents in those small businesses get the relief to which they are entitled.

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Sadiq Khan) *indicated assent.*

Peter Luff: That is a clear position and I am glad to see the Minister nodding. The LGA thinks that the change should mean fewer enforcements against non-payers, which is a burdensome duty for local authorities, thereby saving them a lot of work.

Many councils are already putting a lot of effort into the application system, which involves a lot of work. Automaticity would reduce a lot of those burdens, but it seems that the amount of work done in various regions around the country is hugely different. The take-up in different regions—these are only estimates, but they look fairly good to me and they are quoted in the Library paper on the Bill, which is a pretty good indication—ranges from 26 per cent. in the north-west of England to 79 per cent. in the north-east, which is a huge difference in the northern parts of our country.

Some councils do a first-rate job of promoting the existing rate relief scheme, but some are not so enthusiastic. For a national relief scheme, introduced by Parliament through national legislation, we should not have a postcode lottery in the outcome, which is what we have at present. My area of Wychavon works extremely hard to promote the scheme and has good promotional materials. I have three more examples of good practice. Sunderland has undertaken activities to promote the scheme such as ensuring that councillors take application forms with them when visiting small businesses. That is a practical and sensible idea. Sutton has gone a step further, by identifying 1,000 local businesses that were not applying and proactively contacting them. Birmingham city council has gone further still, by identifying every business that has not applied—it can be done, therefore—and sending personalised letters to them all. That has resulted in 6,000 new applications in Birmingham city council's area.

It is possible to make things better without my Bill, but the LGA is quite clear that it would create a co-ordinated approach and ensure that the money was getting to thousands of small businesses that would not get it otherwise. The current arrangements are rough justice, and far too rough at that. My Bill would smooth the corners of that rough justice.

How would the Bill work in practice? Small business rate relief was introduced in April 2005, after a lot of consultation, and my party welcomed it. The relief can be claimed on properties with a rateable value of up to £15,000, with higher values applying in London—this is a brief summary of quite a complex provision. All small businesses qualifying for the relief still pay at least half of their original bill—as I have said, small business rate relief is not a total relief scheme. The relief is paid at 50 per cent. up to rateable values of £5,000 and, on a sliding scale downwards, to values of £10,000. Between £10,000 and £15,000, rates are charged using the slightly lower small business multiplier, not the main national non-domestic rate. The relief is paid for by a premium charged on the business rates for larger firms, but it is a very small premium. I will return to that later. The Bill aims to make that relief automatic to all qualifying ratepayers. The need to apply will be removed—or largely removed—if a possible amendment that I will discuss later is made.

[Peter Luff]

Clause 1(1) simply imposes a duty on the Secretary of State to introduce a statutory instrument implementing automatic payments to eligible ratepayers, and gives him the necessary powers to do so, with considerable flexibility. The Bill is not specific about many of the provisions that need to be made, because I recognise that the Minister and his officials will have specific ideas and suggestions for the necessary repeals and amendments. So, rather than specifying those details in the Bill, I have left them to the Department, which removes one practical objection that the Minister might have—namely, that the Bill was too detailed.

I realise that setting six months to get the regulations drafted, consulted on and approved is—at least by public sector standards—a tight time frame, but small businesses do not think that it is, as they are hurting and need that help now. Six months is the maximum period that I could put in the Bill, but I hope that, if the Bill is accepted, the Government will move a good deal faster than that.

Clause 1(2) gives the Secretary of State scope to amend existing legislation in order for payments to be made automatically. It says that any statutory instrument should be subject to the affirmative procedure. That will be an important statutory instrument, and it is right that it should be subject to the affirmative procedure and be properly scrutinised by the House within the limits of the statutory instrument procedure.

Clause 2(1) and (2) deal with the eligibility criteria for rate relief. Provided the rateable value of the property fits with the criteria set out in the Local Government Finance Act 1988—as amended in 2003—it will be eligible for automatic rate relief. This information is sufficient, and no declaration is necessary by the business owner. Clause 2(3) and (4) provide the billing authority with the power to require overpayments to be repaid, as well as giving the Secretary of State the power to make provisions to recover such sums. Clause 3 is a simple interpretative clause, and clause 4 clarifies that the Bill extends only to England, as different arrangements apply to the devolved Administrations.

There are only two objections to my Bill that I think have any real validity—there is a third objection, which I will come to later—and I have looked hard at them and decided that they can both be addressed. The first is the possibility of paying businesses money to which they are not entitled, which rightly concerns the Royal Institution of Chartered Surveyors. This could be a problem when people have more than one qualifying property in different areas of country, as the relief is essentially allowed only for one property. It is a bit more complicated than that: a business can have more than one property to qualify as long as they do not add up to more than £15,000. The relief is then available only on the main property—it gets quite complicated, but the essence of the matter is that it involves only one property.

If the Minister were scraping around for a reason to oppose my Bill—I am sure that he is not; he is a decent man—he might think that this could be it, but he would be wrong. The Local Government Association certainly thinks it wrong to be too concerned about this issue. It is blindingly obvious, for example, that firms such as Vodafone, with its plethora of telephone masts, should be excluded, and it would be easy to exclude them from the provisions of the Bill; and any rating authority can identify a branch of McDonald's as being more than a one-off small business, so there is a crude filter that is easy to apply.

When that filtering has been done, it is possible—probable, even—that a number of businesses with premises in more than one authority billing area will not be identified readily, and they might get relief on more than one property. But all my estimates suggest that the numbers would be modest. Such considerations of overpayment should not be an obstacle to ensuring that rate relief gets to all the small businesses that are entitled to it. A small unfairness in one direction should not prevent us from sorting out a much bigger one in the other direction.

There is always an element of rough justice in payment schemes such as these. Defenders of the tax credit system do not see overpayments as an argument for the system's abolition; they just seek repayment when they come to light, and my Bill makes that possible in relation to small business rate relief. I accept, however, that it is important to minimise the potential for over-relief, and to make preparations to prevent it. Indeed, there is already a sample audit every year to ensure that payments are being made properly under the existing scheme, and I would expect that audit to continue in the future, offering a real level of protection for the larger businesses who pay for it.

As well as the common-sense protection offered in the real world, and by the audit, two further levels of protection could be added. The first is the sole occupancy test, which would mean limiting automatic rate relief to sole occupiers—businesses that occupy just one premise in a billing authority area. I am not talking about properties occupied by just one person. This is about people who own just one property. That information is available and readily accessible to local authorities, and I understand that most of them have already begun a weeding-out process to identify which small businesses occupy more than one premise. That is easily done, and it would mean that businesses with two or more premises in an area would still have to apply for the relief, even though they might still qualify for it on application.

Most small businesses—many more than at present—would get the relief automatically, but not all. What the Bill would do is introduce the very high degree of automaticity that the Minister has indicated, in a private meeting and in the House on Tuesday, he is looking for. This provision could be incorporated in the Bill, if the Government would like that, but I understand that local authorities could do this themselves without such an explicit provision. That is a matter for the Minister to decide, and it is an issue that we could look at in Committee. I repeat the assurance that I gave the Minister in the House on Tuesday that I will accept any helpful suggestions from the Government that will improve the workings of this small but important Bill.

The second protection against overpayment would be a requirement to inform a local authority of one's ineligibility. For example, the issue of sole occupancy does not address the question of a small business with properties in different areas of the country—a small shop in Devon, say, and a workshop in Yorkshire. Local authorities would not be able to weed out such

cases—except where an obviously national or regional company was involved—without engaging in massive data sharing, which would be inappropriate.

I therefore suggest a simple device that would place on small business owners a requirement to inform the billing authority if they were being awarded relief despite owning more than one property. This could consist of a simple but prominent tick-box form on the rates bill—all businesses will still receive rates bill—confirming that the property being awarded relief was the business's only one. This document would be returned when the business returned the cheques for the rest of the rates bill to the billing authority, or returned electronically if paying online. It would be a simple, unbureaucratic device, and knowingly making a false declaration could easily be made an offence. Whether this provision should go on the face of the Bill is again something that I am happy to discuss with the Minister in Committee.

I do not think that these issues about ineligibility are serious; they can be addressed. I had a constructive discussion about them with the Royal Institution of Chartered Surveyors, which supports the aims of the Bill. It believes that, if every small business is supposed to get rate relief, every small business should get it.

We also need to consider the impact on bigger businesses, because they pay for the scheme. Some concern has been expressed to me by the CBI in this regard, but it has also assured me that it does not oppose the Bill. However, the impact of the provisions on bigger businesses means that it has not yet decided to support it either. I hope that I can persuade it to do so, because I think that it should.

Let us put these matters in context. The rate relief scheme is self-financing. Larger businesses have their rates calculated at 48.5p in the pound, whereas small businesses' rates are calculated at 48.1p. This difference of 0.4p pays for the small business rate relief in its entirety, at the current level of take-up. I believe that only half of all small businesses receive the relief. In fact, the proportion is probably less than that. Under my Bill, the relief will be largely or entirely automatic and, with the safeguards that I have described, the take-up of the relief will roughly double. That order of magnitude is clearly not wrong. That will mean a corresponding doubling of the extra precept to about 0.8p.

I can understand bigger businesses' opposition to any significant rate increase, particularly when they face a 5 per cent. increase this year, but what big business deserving of respect would begrudge struggling small businesses such a small sum? To name a name—not quite at random, as we shall see in a moment—why should not the Tescos of this world pay just a fraction more, if that means that we can protect smaller, independent businesses? The big businesses of today—Tesco in particular—were once small, and today's small businesses could one day be big, but only if they are given all the help that we can give them.

I am not making a partisan speech, but I will divert briefly into party politics of a kind. Writing in the February edition of *Prospect*, Phillip Blond of Demos reminded me of the words of Edmund Burke. That great Conservative philosopher spoke famously of Conservative radicalism being founded on the little platoons of family and civic association. He wrote:

"To love the little platoon we belong to in society is the first principle of public affections. It is the first link in the series by which we proceed towards a love to our country and to mankind."

I want to stand up for the little platoons against the Tescos of this world. As it happens—this is why I named Tesco a moment ago—I believe that the two biggest business rate payers in my constituency are a supplier to Tesco and the Evesham Tesco store, in one of the market towns to which my hon. Friend the Member for The Wrekin (Mark Pritchard) referred earlier. Under my proposal, Tesco would pay just a little more, and, to coin a phrase, for small businesses, every little helps.

To put this in context, the supplier's bill would rise from £436,500 to £440,100, an increase of £3,600. The bill for Tesco in Evesham—I hope my maths are right—would rise from £583,940 to £588,756, an increase of £4,816. That is a very small sum for the damage supermarkets have done to small businesses—suppliers and retailers—and to town centres. As Phillip Blond put it so well in the *Prospect* piece I mentioned earlier:

"Our fishmongers, butchers and bakers are driven out—converting a whole class of owner occupiers into low wage earners, employed by supermarkets."

If the Minister were to use the cost of my proposal to larger companies as a reason for opposing the Bill—I am sure that he would not—he would be using a very precarious argument indeed.

I am drawing towards my conclusion, but I want to emphasise the extremely encouraging level of support that the Bill has received. The Country Land and Business Association told me:

"Many rural businesses may be unaware of their eligibility for rate relief. Putting the onus on the billing authority is a good way to ensure those who are entitled to this relief are paid straight away".

The National Federation of SubPostmasters wrote:

"The NFSP has long campaigned for improvements in the way in which business rate relief is paid."

According to the Institute of Directors:

"For too long, small businesses have paid more than their fair share of tax, so in these challenging times, politicians of all political persuasions should support the automatic system of rate relief proposed by this Bill."

The British Chambers of Commerce says:

"We have recommended this measure as part of a package of measures to improve the local cash flow situation for businesses in the current recession in our recent report with the Local Government Association".

It is a very good report, called "Back to business: local solutions", which I commend to the Minister and the House. The key quote from it is:

"Government should increase the take-up of these funds by changing the regulations to ensure that the relief becomes automatic"—

a quote from the British Chambers of Commerce and the Local Government Association. The Association of Convenience Stores says:

"This Private Members Bill to automatically give qualifying businesses rate relief will be extremely welcome",

while the Greater Manchester chamber of commerce, which has taken a particularly close interest in the Bill, said:

"Any legislation that will potentially benefit the cash flow of businesses, without a long and laboured process, can only be of value and would have our support".

[Peter Luff]

Individual trade associations, such as the Electrical Contractors Association, have also written to me. It pointed out:

"Approximately 80 per cent. of the ECA's members are classed as small or medium-sized enterprises, who would really benefit (particularly given current economic circumstances) if the Small Business Rate Relief were to be made automatic."

One endorsement of which I am particularly proud came from the Campaign for Real Ale:

"Automatic payment of small business rate relief would help avoid the unnecessary closure of well-run community pubs and we urge the Government to support this much needed Bill".

I would like to tell the Minister that the all-party beer group had an excellent meeting on Wednesday this week, at which I found, to my joy, that the Society of Independent Brewers had added its voice to the campaign. We have the brewers on our side; it is a brave man who takes them on.

Furthermore, the coalition Local Works, which campaigned to implement the Sustainable Communities Act 2007—it is a huge coalition of a bewildering array of organisations—enthusiastically supports the Bill, saying:

"Making automatic the rate relief to which they are entitled would not only help small businesses stay afloat, it would also be a step towards keeping communities together."

I add that one of the members of that coalition is the Women's Institute—another group that Labour Members know that they take on at their peril, as it has so many members. These are not groups that the Minister should alienate lightly.

Finally, let us consider how small business rate relief has already helped real people out there in the real world. I am not talking about generalities; I could quote case after case to show how the relief has been used for good purpose. Ray Johnson of Canine Care says:

"We receive this, a saving of 50 per cent. on our business rates; we now pay £1,200 per annum. The money saved has been used for staff training, very good".

Leslie Long, a surveyor, says:

"The saving has simply eased our cash flow during these difficult times in the property business. The £1200 or so could otherwise equate roughly to our telephone line rentals!"

That is good, as well. Gordon Waylett of Eurographics says:

"The £1141.02 received was spent on our annual advertising campaign with Yell.com, Yellow Pages and National Pen. The last item where we give away hundreds of promotional pens each year has been very successful for us."

This money is being used to secure a future for these businesses as well as to sustain them through the recession. Cris Ramis of Phoenix Health and Fitness says:

"I save £55 per month as a result of small business rate relief. The money I save contributes to extra staff, staff training, and new equipment."

There we are, Mr. Deputy Speaker. I think I have made an overwhelming case for the Bill—[Hon. Members: "Hear, Hear."]—and I am grateful for the roars of encouragement from the troops behind me. I have one or two final thoughts before I finish.

Business rates are to be revalued next April and it is likely that they will rise as a result. Small businesses not receiving rate relief at that stage will be hit even harder by that increase in the rates bill and all small businesses currently receiving the relief will have to reapply for it at that stage—after the revaluation. Surely it would be better to get this automatic payment scheme in place now and get it running smoothly before any changes are made so that even more damage is not done to small businesses by rising rates bills.

I said that I was not going to be partisan, but I cannot resist just one small comment at the end—if it is partisan, I offer it in a non-partisan spirit. I hope that the Minister follows the advice given by the Leader of the House at Prime Minister's questions this week when she said:

"Opposition Members have a choice: they can either say to their constituents that there is no help and that nothing can be done, and wring their hands, or they can work to support businesses and bring schemes forward."—[*Official Report*, 4 March 2009; Vol. 488, c. 845.]

That is what I am doing; I am proposing a scheme to help small businesses, and I really hope that it will gain the Government's support.

There is just one final reason the Government might be less than inclined to support the Bill—and it would be a good reason. The only good reason I can think of would be if the Minister wanted to go further than the scope allowed to my private Member's Bill. I would welcome any such indication. I commend the Bill to the House.

10.15 am

Mr. David Heath (Somerton and Frome) (LD): It is a great pleasure to follow the hon. Member for Mid-Worcestershire (Peter Luff) and to congratulate him not only on securing the opportunity to introduce a private Member's Bill, but on proposing this particular Bill. I hope I betray no confidences in suggesting that I seriously considered introducing a similar Bill. I had talks with the Federation of Small Businesses, but during the period of my discussions about introducing such a Bill, I became aware that the hon. Gentleman was also interested in doing so. I felt that he, as Chairman of the Select Committee on Business and Enterprise, would do an admirable job of introducing such a Bill, so I looked elsewhere. I am fully supportive of his Bill, of which I am a sponsor. I very much hope that it will achieve its Second Reading.

The hon. Member for Mid-Worcestershire made crucial points about the circumstances of small businesses. I have not been in business for nearly 20 years, so I cannot say that I have current experience, but I know from my experience as a professional optician running a high street practice that running small businesses on the high street is no easy matter. It is sad that nowadays so few in the House have direct experience of business, because if they did, they would take a very different view of the pressures that business people face.

At a time of recession, when all the cards are stacked against people who are trying to keep their businesses functioning, one of the worst pressures is cash flow; indeed, cash flow is the perennial issue for anyone trying to run a small business. The problem for them is finding the money at the right time to pay the bills so as to enable them to make money the next day. Many factors are involved. Obviously, they include the profitability

of the business. Without footfall or without people buying the products, things will always be difficult, as they are at the moment.

The ability to acquire credit is another key factor. If a business cannot keep credit lines open, difficulties can arise. Some of the bizarre decisions taken by banks over recent months are a matter of great concern. Credit lines have been suddenly reduced and credit has been made either unavailable or so expensive as to be unusable. Those are real issues for many people. Another critical issue is fixed overheads that cannot be avoided. Some staffing costs cannot be avoided, unless the business is single-handed. There is a degree of flexibility, but it is harsh and not easy to implement. Yes, it is possible to sack staff, but that is not loyal to staff—and it is very hard to make a business work when people are not there to do the job. Other fixed overheads include rent, which is often inflexible, at least in the short term; utility bills, which have increased massively, so people find it hard to pay them; and the rates, which is the topic addressed by the hon. Gentleman in his Bill today.

I agree with the hon. Gentleman about the role of small businesses, as they are the dynamo of our economy. They are what makes this nation of shopkeepers tick. They may be in the manufacturing and service industries, where they often grow to become the large and medium-sized businesses of the future—companies have to start somewhere, and they often start in the small business sector—or they may be in the retail industry, which is the most visible sector in the present downturn.

I am very concerned about the prospects of retail businesses over the next six months or so. We are already seeing the scars in our high streets. We have seen many scars as a result of the depredations of big business, when large retail companies have taken business from the high streets, but now we are seeing empty, boarded-up shops which only a few months ago were prosperous places of business.

Mr. Nigel Evans (Ribble Valley) (Con): The hon. Gentleman has made a number of points about the fixed costs to businesses, but he has not mentioned bank charges and interest on the loans that companies may be taking out, and the need for banks to assist small business. Given all the support that the state—the taxpayer—is now giving the banks, is it not about time that the banks did their bit to support small businesses in their time of need?

Mr. Heath: The hon. Gentleman is absolutely right, although I think that I did mention the relationship with the banks. They are being extraordinarily unhelpful to small businesses in particular, despite the much-trumpeted schemes that the Government are trying to introduce. I do not criticise the Government for trying to introduce those schemes; I just wish that they would get a move on.

When I spoke at a business breakfast in my constituency the other day, an entrepreneur said to me "Do you realise that in order to take advantage of some of these Government credit schemes, people have to sign a form without knowing what the costs will be?" What sort of business plan involves signing up to credit when you cannot possibly know what the cost to your business will be? Since the country as a whole—the taxpayer—has put finance into the banks, there is surely an overwhelming argument for the banks to provide the service that we expect from them as a utility. It is not up to them to decide that they will swallow the taxpayer's money without providing that service.

Peter Luff: I do not wish to protract debate on this particular issue, as we might be ruled out of order, but I shall be delighted to return to it on Monday during a debate initiated by my Committee. I hope to see the hon. Gentleman and one or two of his colleagues there so that we can discuss the issue at greater length, because what he is saying is absolutely true.

Mr. Heath: I am very glad that we shall be able to discuss these matters in more depth on Monday, rather than now, when we are supposed to be talking about business rates. What I was hoping to do today, however, was explain the context in which small businesses face an indifferent future, and are therefore in need of rate relief.

It is not hard to identify major defects in the overall concept of the business rate, which in my opinion needs to be fundamentally reformed. It needs to become a better and more progressive system than at present. It is a long-held and cherished view of my party that the rating of site values produces a better outcome than the current system of property rating, but let us set that aside for the moment.

Another problem is the fact that the business rate is a nationalised tax, although it used to be decided by local authorities. Many years ago, when I was leader of Somerset council, we used to set both the domestic and the business rate. Before we set the business rate, we would have detailed discussions with the business community about what was happening in the local economy, and the extent to which they saw investment in key areas of infrastructure as a priority for the council. Having engaged in those discussions, we would set the rate in the certain knowledge that the money that was collected would be spent in the local community. That is a key factor. Now, however, the business rate is collected and distributed by means of a national formula. There is no direct connection between what is collected from an area and what is paid into it to support local infrastructure and economic development, which I think is a major defect in the system.

Another problem is the ratchet effect: the rate goes up inexorably each year, with little regard paid to local economic circumstances. I hesitate to suggest that that would not be a problem if the business rate were still controlled by local authorities, because the council tax also tends to go up inexorably throughout the country. As we all know, that is the case because although the council tax appears to be under the control of local authorities, the biggest single element is the decision of central Government. In any event, many businesses find it very irksome to face bills that are substantially bigger each year, often having increased by more than the rate of inflation, because it forces them to devote a larger proportion of their profit margins to the payment of business rates.

The hon. Member for Mid-Worcestershire made another good point about revaluation—the spectre that hovers over not just business rates but domestic council tax. In the case of council tax, revaluation has been put off repeatedly because it will be so horribly difficult. In many

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parts of the country, including my own, property values have soared while incomes have not, and the same will apply in the business community: the profitability of businesses bears very little relation to the property values in a particular area. Throughout southern Britain—especially in the west country, but I think it will apply in the south-east and the south and west midlands as well—we are likely to see substantial increases in rateable values at the point of revaluation. That will cause difficulties for businesses of all sizes, but particularly small businesses.

Against that background, we have what I consider to have been the valuable introduction of small business rate relief in 2005. I congratulate the Government on recognising some of the difficulties and introducing a measure to help some of those who were finding it hardest to cope. However, as the hon. Gentleman pointed out, the problem is that very few businesses—only half those that are eligible—claim the relief to which they are entitled. There are a million possible reasons for that. Perhaps, as he suggested, the system is seen as complicated. People tend to take a rather fatalistic view of these matters: on reading that they may be eligible for relief, they may instantly assume that they will not receive it. They may have to be persuaded to take up an eligibility to which they are entitled. The same applies to benefits for individuals; there are very low take-up rates when receipt of those benefits is not automatic.

There are many difficulties in being a small business person overwhelmed with bureaucratic requirements. It is hard enough for such people to do all the paperwork that is directly associated with their businesses without having to do what the Government want them to do as well. I am afraid that things tend to be put in a big pile in a corner of the office and labelled "Too difficult; will have to wait", with the intention that they may be dealt with some time late in the evening when the person involved might just be able to get around to seeing what they are all about. Sadly, that is one of the reasons why it can almost be guaranteed that, when we have meetings with business people, those who turn up will be a few junior representatives of large businesses and some solicitors, accountants and other professionals, while there will be very few people who are actually trading, because they cannot afford the time to leave their businesses to attend a meeting, even if it will be helpful and give them valuable and necessary advice.

May I interject here an important point that we in this House often forget when we are considering the recession? When we discuss safeguards, safety nets and support, very few of us ever think about the self-employed. They are facing extreme difficulties at present, but they are somehow off the radar all together. It is as if they just do not exist, but very often they are the entrepreneurs and wealth creators whom we ought to be helping as far as we can.

There are many reasons why businesses might not claim under the current system, but what is the answer to that? The hon. Member for Mid-Worcestershire mentioned one of them: local authorities could be much more aggressive in marketing the availability of relief. The trouble with that, however, is that it is expensive and it involves using money for a purpose that ought to be unnecessary and taking it away from more valuable uses. Therefore, although this could be done—some local authorities are a lot better than others at doing it, and some are, frankly, useless, no matter how many times they are exhorted to do it—I am not sure that it is right in principle to spend a large sum of money on marketing a relief when there is the alternative mechanism that the hon. Gentleman is proposing, which will do the job much better.

Mr. Evans: The proposal of my hon. Friend the Member for Mid-Worcestershire (Peter Luff) is clearly the easiest way of proceeding. The owner is on local authorities to ensure that businesses comply with all sorts of rules and regulations, and they have an army of people with clipboards who visit businesses regularly. In carrying out those visits, those people have the opportunity to say to these businesses, "By the way, have you applied for rate relief, for which you are eligible?" Is it not amazing, however, that they never seem to do that? They are very keen to pursue all the other things that are costs on businesses, but they seem to forget assisting businesses in such ways.

Mr. Heath: The hon. Gentleman is right, and it has long been a complaint that many such people feel the need to inspect for a variety of reasons— although it is most unfair of me to use the phrase "feel the need" in this context, as it is this place that tells them they must feel the need by imposing duties on them. Nevertheless, they all come at different times and make different recommendations, and many people who run small businesses wonder who will knock on the door next and tell them that they must spend a few thousand pounds on doing something they do not feel is necessary.

To use the cliché, let me say that a one-stop-shop approach would be much more effective in ensuring that businesses are complying with all the necessary and proper regulations, such as those that apply to the consumer, to trading standards and to fire safety—I sometimes have quarrels with fire safety officers over some of the requirements they make, however—and perhaps more effective in removing some unnecessary regulations. It would be best if a single inspection gave a bill of health and, as part of that, businesses were asked, "And by the way, can we just check you're getting everything you should be getting?" That would be so much better for businesses; it would ensure that they had certainty in what they were doing and would be a real help. I fear that as yet we are a long way from that position, however, at both local and national Government level.

The hon. Member for mid-Worcestershire also addressed one of the potential criticisms: the scope for overpayment under the automatic approach. I was going to intervene on him, but then he covered the point I was about to make: the key to this matter is self-certification. It is an obvious solution, and it would be easy for businesses to do: on receipt of the rate relief, they would have merely to certify that they complied with the conditions, and if they made a false declaration, they would be committing an offence. That is the way to do it; it does not involve a great amount of bureaucracy, and most business people ought to be able to answer the simple question whether they have another business premises that they ought to be declaring. If they have another premises, further

calculations will have to made, but if they do not, the relief should be made. That is a very simple way of dealing with the problem.

Peter Luff: It would be discourteous of me not to thank the hon. Gentleman for his support for the Bill, and also for the excellent speech he is making. It may interest him to know that this was the issue on which the support of the Institute of Directors hung. When I explained the mechanism I had in mind, the response was, "That would be excellent—not bureaucratic, but very straightforward and simple. We will therefore support your Bill." So the business community thinks exactly as he does in this regard.

Mr. Heath: I am gratified by that, and I thank the hon. Gentleman for his kind words. This proposal is simple common sense, and it becomes more than simple common sense in the context of the sort of recession we are facing at present, when it becomes an urgent necessity. The fact that similar arrangements are in place in Wales underlines the fact that we will be short-changing businesses in England if we are unable to follow suit.

I do not believe that extra costs to Government are involved. The self-rectifying procedures already in place apply a small disbenefit to large businesses, but that is not proportionate to the benefit they get from their large premises, as under the current system large premises are not rated anything like proportionately with small business premises. This issue is not desperately difficult to overcome. In any case, the Government should have a contingency plan for 100 per cent. take-up, because if they do not plan for such take-up, they are being dishonest to the people to whom they are offering the relief. I therefore presume that they do have such a plan. Furthermore, set against whatever small disbenefits there may be to either Government or large business, there is the massive public benefit of keeping small businesses in existence and trading over the next six months to a year when things will be so difficult, we will lose so many enterprises and our towns and villages will suffer the scars of the recession in a way we have not seen for, if not quite a generation, a long period.

It is absolutely essential that any assistance that can easily be offered is put in place. I hope that the Minister will be able to say today either that he completely supports the Bill or that he will take immediate action to implement the proposal that forms its basis in order to bring it into effect. He cannot simply say, "Yes, it's a good idea and when we have had a consultation period, followed by a Green Paper, followed by a White Paper, followed by a review in a couple of years' time, we will get round to it." That will not be good enough, because businesses are suffering now and need help now, and what is proposed is a real way in which we can provide that help. I commend the hon. Gentleman for his perspicacity and eloquence in introducing this Bill today.

10.39 am

Mr. Nigel Evans (Ribble Valley) (Con): First, I should declare an interest. As the owner of a small retail business in Wales, I clearly will not benefit if this Bill is enacted, because, as has been stated, its provisions already apply in Wales. That proves yet again that where Wales leads, others will follow. In rugby, apart from last Friday, and in various other areas—*[Interruption.]*—Wales has led the way. *[Interruption.]* There are a lot of sedentary interventions, Mr. Deputy Speaker, which are putting me off. *[Interruption.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. If the hon. Gentleman needs my help, he has only to let me know.

Mr. Evans: We needed the Deputy Speaker's help last Friday, Mr. Deputy Speaker. Anyway, we will put all that to one side. The fact is that this measure was introduced in Wales in April 2007 and is working and giving assistance to a number of small businesses there.

The hon. Member for Somerton and Frome (Mr. Heath) mentioned that experience in running small businesses is useful in this place from time to time, and I absolutely agree. The Industry and Parliament Trust does a great job in giving Members of Parliament who have no basis in business some knowledge of how business works, but it does that, in the main, with big business. That is useful, but it might also be useful—I do not know how such a scheme would work—if it got a number of small businesses to co-operate, perhaps through the auspices of the Federation of Small Businesses. Then perhaps MPs who do not own a small business could secure placements with the FSB and be placed in small businesses, so that they can find out about the costs and burdens that some are facing.

Mike Penning (Hemel Hempstead) (Con): My hon. Friend has raised a very important point, but the only way that small businesses could do that is to form—I think that he was alluding to this—a consortium; otherwise, the burden on them would be onerous. However, I completely agree that if we really want to understand what is happening in the business market, we must not talk just to blue chip companies; we must speak to the small companies that are at the forefront in dealing with this recession.

Mr. Evans: My hon. Friend is absolutely right. The vast majority of businesses in this country are small to medium-sized enterprises, and in many cases they could not take somebody on for 20-odd days, simply because they do not have the people to cope with that, but perhaps they could take on MP an for one day. An MP could, for example, be placed with 20 small businesses in a year, which would give them a fantastic grounding in the problems that small business people face.

Mr. Binley: My hon. Friend raises an important point about the involvement of small business with Government in a wider sense. It was noticeable that, just some six months ago, only the CBI represented British business in a European matter regarding the Temporary and Agency Workers (Equal Treatment) Bill. That area needs to be widened by Government, too, to ensure that the small business voice is heard much more sensibly and clearly in this place.

Mr. Evans: I totally agree with my hon. Friend. We are in a deep recession and workers are being laid off left, right and centre. When Woolworths closed, everybody knew about it because it was headline news. When small businesses close, it is not headline news as such, because we might be talking about a self-employed person or one or two people being made unemployed. However, if

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we multiply that by the number of small businesses throughout the country, we are talking about thousands of people being made unemployed or redundant every week. So when it is all added up, not only are small businesses crucially important to the economic vitality of this country, but the burdens being placed on them are also very heavy indeed. We must look at how we can lift the burdens—for all businesses. We are competing with countries near and far, and we must see what we can do to help our businesses compete and survive. Lifting the burden of paperwork is one way.

The big question being asked today is, "Hold on—all this cash is being made available, yet half the businesses are not claiming it. Why not?" The hon. Member for Somerton and Frome intimated that in some cases, people think, "Hello—it is free money. This cannot be right. And if I do apply for it, I will not get it because there are too many hoops to pass through and hurdles to cross. Why should I bother filling in a form when I am not going to get the money?" There is some truth in all that.

Peter Luff: My hon. Friend is touching on a very important point; indeed, I nearly intervened on the hon. Member for Somerton and Frome (Mr. Heath) about it. I have with me a selection of forms from local authorities that are trying very hard to make things easy for small businesses, such as an online form from Winchester city council. However, they are still pretty intimidating. There are four pages, and pages of notes, and as was said, far too many businesses would put them on the "too difficult" pile, to be dealt with at a later date.

Mr. Evans: That is right, and I suspect that a lot of small businesses have their favourite table for such things, which has to be reinforced from time to time because of the weight of paper. People put such questionnaires there and when they have a bit of time, they will have a look at them. All it takes is one difficult question that people cannot answer off the top of their head, and the form is then put on the table. It is followed by another, and then another, and people never get round to dealing with them.

Also, a lot of small business people tend to work all the hours that exist. They get up at 6 or 7 in the morning and work through till 10 at night. When are they going to find the idle time to sit down and start filling in forms? They just do not have the time, so if they do not need to fill them in, they are not going to do so. As I said, just one difficult question—for example, "What is the square footage of your premises?"—is enough to make people say, "I'll leave it for another day", and it never gets done. It is almost as if we have devised a scheme that, although it will assist businesses, we do not want people to apply for. Indeed, that is exactly what is happening—half of businesses simply are not applying for it because they have not got the time, or they think that they will not get the money.

As has already been spelt out, the business rates are a huge burden on a lot of businesses. If we could assist them with that, we would not just be giving respite care or some extra profit to small businesses; we are talking about the difference between some of them surviving and some of them not surviving at this difficult time. I have mentioned the bank charges for businesses that have loans. The interest that some banks are charging seems to bear no relationship to the historically low interest rates that we all heard about just the other day. In addition, there are accountant fees and utility bills, which have already been mentioned.

The refuse issue is a famous one. I remember that when I first started working in business, we paid business rates and the collection of the rubbish was part of that. Then, all of a sudden, we started receiving another bill—for the collection of the rubbish, which was, we thought, already covered by the business rates. Did the fact that we were now paying a separate bill for the rubbish mean that the business rates went down? No—not a chance. Not only did the business rates continue to rise relentlessly, but so did the bill for refuse collection. There are a number of other such bills, the water rates being one.

Mike Penning: It is important that people listening to this debate understand how business rates are collected, and that they do not blame their local authority for the size of the business rate. The Government set the business rate; the local authority is the debt collector on behalf of central Government.

Mr. Evans: The fact is that most small businesses do not have the faintest idea about the difference between the domestic rate and the business rate, who collects it, who benefits from it and where it all goes. All that they know is that they have to write a cheque for it or set up a direct debit from their bank account. That is the problem. They are not particularly bothered about how it is spent or where it goes; all that they know is where it comes from.

Peter Luff: I am sorry to intervene again on my hon. Friend, who is making an excellent speech. He has reminded me of a very interesting anecdote. I think that it was Anthony Hilton who, in his own column in the *Evening Standard* a couple of weeks ago, blamed local authorities for rising business rates. It was an extraordinary statement from someone of that seniority. There is a lot of misunderstanding of the rates system and it would be good to get it sorted out.

Mr. Evans: Absolutely. A survey by the Local Government Association estimated that 870,000 firms were eligible for relief but only half were getting it, so we are talking about almost a million businesses out there that could be getting this relief and are not. We must work out a system to ensure that that relief gets through to them. We know that there are a lot of benefits that people are eligible for, but which they do not take up. There are a lot of means-tested benefits for which people have to apply, but they do not do so. I suspect that the Government have a formula: whenever they make a benefit available to anybody, they probably work out the percentage of people who are not going to claim it. If it were not for that percentage of people, any such benefit would be a lot more costly for the Government and they might not make it available—that is a real problem. In this case, the cost-neutral aspect of the Bill makes it all the more attractive.

Peter Luff: The Government have behaved honourably throughout on this matter. When the relief was first introduced, the precept was 0.7p, in anticipation of a

certain level of take-up but, in the event, the take-up was lower, so the precept was reduced to 0.4p. A precise estimate was made, but the take-up was disappointing.

Mr. Evans: We know about that issue; if things were made automatic, everybody would get the benefit. The Local Government Association estimates that small business rate relief can save businesses in Britain up to £2,500 annually. Many small businesses will save at least £1,000 if my hon. Friend's Bill is passed, and that money is significant. Each of us can probably think of businesses in our constituencies that are struggling or that have failed over the past few months. Sadly, the Kaydee bookshop in Clitheroe, which I have mentioned before in the House, has closed—it was an old business that had survived many downturns in the economy. That makes many local people unemployed, and all the ties that people have had over the years, through buying books for their children from the shop or going there as a child themselves, are lost. People have a romantic association with some of these smaller shops and smaller businesses, and this situation is a crying shame.

The supermarkets, which have been mentioned, do what they do. People support them and that is why they do so well, but it is a shame that all the small butchers shops, fishmongers and ironmongers, which added character to towns around the country, have, sadly, closed their doors for the last time. That process detracts from the character of places and we lose the characters who ran a lot of the places. This sort of Bill just might make the difference and mean those businesses surviving through this recession and into the future.

We know that a lot of these small businesses are social services. An accountant who sat down with them would say, "Are you barmy? Why are you spending all these hours doing that? You would be far better off closing the business and going to work for Tesco, because you would make more money out of that." The labour of love that a lot of these small business people have for these businesses, which perhaps their father or grandfather started, is the reason why they carry on with them; it is a tradition—it is in their blood—but there is no economic sense in it at all.

The Federation of Small Businesses supports the Bill and has highlighted the fact that 85 small businesses close every day. We know that a lot of small businesses are struggling with cash flow, so we must ensure that the banks are doing what they should be doing to support these businesses. The Bill is supported by a veritable who's who of the small business world, including the National Federation of SubPostmasters, the LGA, the British Chambers of Commerce, the Country Land and Business Association, the Institute of Directors, the Association of Convenience Stores, the National Federation of Retail Newsagents and the Campaign for Real Ale. I am a member of at least three of those bodies—I shall leave it to the House to guess which ones, but I am going to mention CAMRA. I am not only a member of CAMRA, but vice-chair of the all-party group on beer.

As has been mentioned, an important and significant meeting took place in the House just this week, when five Ministers got together to answer some of the questions from MPs of all persuasions about what can be done to support the British pub. As we know, 40 pubs close each week in this country—that works out at more than 2,000 a year. What are communities? We have seen our post offices go, our rural schools close and our rural bus services being attacked—even rural churches are closing. In some places the rural pub is the only thing that is left. If it goes, that would tear the heart out of the local community. We must all start to consider what we can possibly do to support an iconic British institution. My hon. Friend the Member for Mid-Worcestershire (Peter Luff) rightly said that it is a brave man who takes on CAMRA. I think that is why the five Ministers turned up together; they were afraid to go on their own, so they had to turn up in fives just for their own protection.

The sort of measure before us will give some support to help pubs to survive this recession while we try to work out all the other things that could happen to give the pubs some relief. I know that one of the Ministers looked at ways of giving recognition in the ratings system for the community use of pubs. A pub could be given some support if it had a football club or a darts or dominoes team, if the pub was being used as a local post office or if it was being used by a luncheon club or by a number of other groups that might meet in it. There should be some recognition if locals are able to use the pub's car park or its toilets—public toilets may not be available in some villages—when they are not using the pub. All those things could be recognised in the ratings system, and that should go on top of the measure that my hon. Friend is proposing.

The Bill deals with money to which these businesses are entitled—it is their money; we are not talking about giving extra gifts. The businesses in Wales are getting it, but businesses in England are not. We must ask why they are not getting the same sort of support from our Government, when the Welsh Assembly Government are supporting businesses in Wales.

If I were to be critical—I did mention this to colleagues when my hon. Friend was speaking—I would say that it is a great shame that we cannot make this measure retrospective for a period of five years. What a great boost that would be to many struggling local businesses. We could say, "Listen, you've been eligible for this for a few years." Why should we deny those businesses the money to which they were entitled last year and the year before? I can understand the complications, because he mentioned a few of them, even with this Bill becoming enacted. We are supposedly looking at ways of supporting businesses and injecting money directly into local communities, so that that money gets out straight away into the community—this is one way of doing that. Small businesses have cash-flow problems, so that money will be circulating as quickly as possible. The great thing about small businesses is that when they need anything done they tend to use other small businesses—people take the *Yellow Pages* out or they use the local knowledge in their head, because a lot of their customers are trades people. They will thus start to support the local businesses that are around them. It is a self-help scheme, and it is long overdue.

I am looking forward to the Minister's speech, because I hope that he can give some hope that the Government will support this measure in one form or another. Kicking it into the long grass is not an option, because a lot of these small businesses cannot wait. They simply do not have the option, because every time the postman comes they fear opening a letter just in case it is a final

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demand, or another bill from a supplier that they did not expect or that they feared would come.

The Bill needs to be introduced as a matter of urgency The Budget is coming up in just a few weeks' time, and I hope that we are talking about that sort of time scale for this measure, because if it is not treated as a matter of urgency—such a scheme is operating in Wales, so there is no good reason why it should not operate in England too—we will be putting further nails into the coffins of a lot of small businesses up and down the country. Running a business is a very hard struggle these days, under all the pressures that exist. Small businesses need all the help that they can get, and this Bill will give them just that.

10.59 am

Mr. Brian Binley (Northampton, South) (Con): It is a pleasure to follow my hon. Friend the Member for Ribble Valley (Mr. Evans). Indeed, I have had the pleasure of following him through the pub door on a couple of occasions, and I welcomed his remarks about saving the pubs—*[Interruption.]* I shall overcome the barracking. I also welcomed his remarks about the work that he does for the all-party beer group. I am a co-founder and vice-chairman of the all-party save the pubs group, so I support his views thoroughly.

I especially congratulate my good and hon. Friend the Member for Mid-Worcestershire (Peter Luff) on presenting his Bill, which he did exceptionally well. I was delighted to become a co-sponsor of that Bill, and I pay tribute to my hon. Friend's work as Chairman of the Business and Enterprise Committee. He is very knowledgeable about such matters, and I am sure that the Minister will take that knowledge into account. That is why I am hopeful that we will hear some encouraging remarks about this issue when the Minister responds to the debate.

I wish to declare an interest. It is well known that my interest in this place is small and medium business, and in fact that is one of my major reasons for coming to this place. I have a business background: I founded two companies that now employ 250 people and I am still the non-executive chairman of one of those businesses. I am proud to be able to say that, because it allows me to bring some knowledge of that sector to this House. That is one of the reasons why having other interests and involvements can be a good thing for the well-being of this House, but it is only right and proper that I should declare that interest.

It is also right and proper to say that I am a keen supporter of "Keep Trade Local", the campaign run by the Federation of Small Businesses, which is a successful, worthy and timely campaign. Indeed, I went to help to launch the campaign in Coventry.

I said that I had some knowledge of the SME sector, especially small business. The point that I want to make today is that the harsh reality that faces small businesses, especially those in our town centres the length and breadth of the country, is the struggle for survival. They are simply fighting to be here this time next year. That is their business objective, and that is a vital fact to hold on to as Ministers decide whether to support this measure. Small businesses have a prime objective in mind—survival.

For a small business that is not in the cash business, a one-off debt default is a massive problem that can instantly turn a successful business into a failure. My hon. Friend the Member for Ribble Valley mentioned the worries that small businesses have about letters coming through the door. I can tell him that another worry is receiving a letter from a liquidator appointed for another business that owes them money. That can send small businesses into exactly the same situation. Aged debt lists are lengthening. A small business might have been having its invoices paid in 30 days or 45 days, but the time is being stretched to 60 days or 65 days, and that puts a massive additional burden on its cash flow requirement—one that, in many cases, proves just too great. I shall talk about the banks more later, but it is in that area that the money is not getting through. Good businesses are experiencing difficult cash-flow scenarios because their aged debt lists are lengthening, and the banks are simply not responding to a great enough extent. The money simply is not getting through.

Working capital is at a premium for small businesses. I am not talking about millions of pounds. In the case of small businesses, we are talking about hundreds of pounds, as my hon. Friend the Member for Mid-Worcestershire said. For such businesses, £5,000 is a massive amount of money, and therein lies the difficulties that they face. Cash is king, and that needs to be recognised.

Small businesses are dealing with these difficulties in several ways. First, those that employ 10, 15 or 20 people are undertaking a massive and rigorous review of their staffing levels. In order to ensure that their outgoings are reduced, they are cutting staffing levels. Secondly, they are trying hard to tighten their credit controls. If those not in cash businesses used to invoice every month, they are now invoicing every week. Thirdly, they are almost totally cutting capital spending. Those companies that wanted to invest a little to increase their efficiency and productivity are now saying that they cannot afford a new telephone system or to invest in the plans that they made a year or six months ago. Finally, many are making sizeable cuts in their marketing and advertising budget, even though in many respects this is the worst time to do that. They are being forced to do so, because the name of the game is survival, and the objective is to be around this time next year.

What implications does all this have for the Government and the recession that we now face? Sadly, it means more unemployment, because businesses are being more frugal about how many people they employ. I recognise that we are talking about businesses that employ only small numbers, but collectively that adds up to a sizeable number of jobs. I know that that is not what the Government want, and that is one reason why we have to help small business as much as we can.

The reduction in capital spending leads to a vicious cycle—less spending leads to fewer jobs, which lead to a less buoyant economy. That is especially relevant in the small business sector. Of course, small businesses should be talking to their banks. The company of which I am a non-executive director went to talk to the bank about its contingency in September last year. We recognised that we might need the bank's support and help if we suffered any of the problems that I have described. Because we have been banking with that bank for 20 years, we had a relatively favourable response, but

many small businesses are frightened to go to their banks in the present climate. They are genuinely worried about what the banks will or will not do.

Most small businesses do not operate on loans: they operate on a bank account with an overdraft facility. That facility is very important to them, because it gives them flexibility so that they are not lumbered with a three or two-year loan. They have a flexible friend in an overdraft that they can repay as and when they see fit, rather than having to abide by the terms of a loan agreement that they might have to pay a sizeable fee to get out of, even if business picks up. They are therefore concerned about loans. They do not talk to the banks, so the banks call them in, and they are forced to negotiate new overdraft facilities, often for shorter periods. Those new facilities require a renegotiation fee, perhaps only £300 or £400, but it is another demand on cash flow that they could do without. When they negotiate a new deal for their overdraft, they find that they are paying, if they are lucky, 6 per cent. above base rate, but in many instance 7 or 8 per cent., and I have even heard of someone paying 9 per cent. above the base rate. They are therefore caught in a cleft stick: they have to face the recession on the one hand, and a difficult scenario with their banks on the other.

Mike Penning: I am sorry to interrupt my hon. Friend's cogent argument, but it is not just the fact that small businesses are penalised with interest rates of 9 or 10 per cent. above base to get those loans and overdrafts, as there are often add-ons, particularly insurance cover, which is compulsory in many cases. When small businesses go to obtain a loan from their banks, they pay huge interest rates and, at the same time, there is a demand—sometimes implicit, sometimes not—that if they do not take the insurance cover, they will not receive a loan, which, as hon. Members can imagine, is hugely expensive for them.

Mr. Binley: My hon. Friend is absolutely right. I was about to move on to the additions placed on small businesses through that renegotiation process. Insurance, as he said, is one of the conditions that are appearing more and more. So, too, are personal guarantees. I have been told by the Federation of Small Businesses that 40 per cent. of the people they surveyed were considering packing up their business. My fear is that that was because they went home to their partner and said, "Look, we're going to have to put the house on the line." Their partner says, "We certainly are not: we worked hard for this house, and it's all we've got." That is another fearful story that is doing the rounds—a fact that, in itself, is a danger.

The final problem, apart from personal guarantees, insurance of the kind that my hon. Friend described, and extra demands on the business appearing in the small print of the negotiation agreement, is decisions that are being made higher up the line in banks. Twenty-five years ago, when I started my first company, which now employs 140 people, as I have said, the banks were almost a partner in my business. We met every three months, and they acted as my financial adviser. They knew the local business scene, and were aware of the local business personalities. They were incredibly helpful, and partly responsible for the fact that that company employs 140 people. Sadly, in many banks in small and medium-sized towns, that facility no longer exists, as it has been shoved up the decision-making ladder to the point at which deals are matrixed, and they are done so on worst-case scenarios, which means a higher cost than would be necessary if the deal were done at a lower level where people understood the local business scene. That is another problem that has arisen in the past 20 years: decisions are taken higher up the line, and the small business man in a small country town or, indeed, in a suburb of a larger town or at the edge of a city does not get the chance to talk properly to someone who really knows about the local business scene. Another massive support for small businesses has therefore disappeared.

No wonder small businesses are fearful of banks, and they desperately need our help, support and, equally, our understanding. I am led to believe that the Government can provide that understanding, and I hope that we hear more about that when the Minister replies. The Bill is one way in which we can provide that help, which is why I fervently support the measures that my hon. Friend the Member for Mid-Worcestershire has introduced in the House, as well as his speech and, if I may say so, the speech by the hon. Member for Somerton and Frome (Mr. Heath), who represents the minority Opposition. We need to get behind the sector in every possible way. The answer is not loans, as they are not flexible enough. I have said that the money is not coming through and, indeed, the Leader of the House of Commons, who filled in for the Prime Minister on Wednesday, made the point that the loan guarantee scheme is not yet in operation, even though it was due to come in on 1 March. That scheme is meant to help people higher up the food chain, but its delay is indicative of bureaucracy getting in the way.

I genuinely believe that the Government wish to help. I am not knocking the Government for the things that they are trying to put into effect, but I am concerned about the quality of the management that puts those actions into effect. It is simply not good enough in any theatre of business or politics to say, "This is what we propose; we have therefore solved the problem." It does not work that way. We have to manage the project, and be sure that it has been put into effect. We have to fine-tune, monitor and police it. I fear that that is not happening, so I urge the Government to consider doing more, because it would be helpful to the sector that we are discussing.

I have made the point that there is one way in which we can help. It does not require a big change, it will not cost a lot of money, and the fact is that it could well remove the straw that breaks the camel's back for many small businesses that face difficulties at present. We have heard that less than 50 per cent. of them take up the offer to apply for relief. They do not like bureaucracy—that point has been made by my hon. Friend the Member for Ribble Valley. In fact, some of them are concerned about democracy, because they fear that it might invite more inspectors into their business, and impose more regulations and requirements on their busy and limited management time. They do not like getting involved at that level with bureaucracy, so it is a simple measure that we can take.

We have heard that take-up is patchy, and I shall give the House two examples of near-neighbours in Essex. In Tendring district council, 72.8 per cent. of small

[Mr. Binley]

businesses that qualify claim relief. In Thurrock council—next door, I think, for those people whose geography is better than mine—which is a unitary authority, only 27.1 per cent. claim. It is a massive difference, and there must be an explanation. Perhaps—and I should have found out, Mr. Deputy Speaker, as I can see that you are looking at me with some interest—Tendring district council has written to the people who qualify, and has taken steps to encourage them to apply. Perhaps Thurrock council has not done so: I do not know, and I do not wish to apportion blame, either.

Peter Luff: I am sorry to interrupt the flow of another excellent speech, and I am grateful for my hon. Friend's support, but it may help him and Mr. Deputy Speaker to know that Essex county council in particular takes an exemplary interest in the issue and is driving it forward aggressively with district councils in its area.

Mr. Binley: Many of my small business colleagues will be delighted to hear that message, and I hope that it spreads to the rest of the country. The truth of the matter, however, is that it ought to be an automatic right, and that case has been well and truly made by my hon. Friend. We know that 40,000 small businesses—according to BDO Stoy Hayward, it is 33,900—will go to the wall this year. Many of them are in our high streets, and many of them are the self-same people who are involved with local charities, and serve as councillors, of whatever political party. They take an interest in local society, and they are the people who will go to the wall. The harm to our communities is multiplied by that.

We need the sector to hang around, especially when the green shoots come. We know that it is a sector that provides jobs growth. It provides massive amounts of British creativity, and it creates vitality in our high streets, as I have just explained. There is a further point. The sector lays the foundation for the supply chains of UK plc. To demonstrate how vital that base is, I need only quote the fact that Airbus UK employs 13,000 people directly, but another 140,000 people are employed through its supply chains. The small business sector is vital to the whole panoply of our industrial sector, our wealth-producing sector. It is vital to the whole of our business and commercial sector. As Winston Churchill said, I repeat that because it is so important.

We need the sector to help us meet the global challenge, which will no doubt be a much more difficult challenge to meet when we come out of the recession. More manufacturing jobs will have moved to China and India when they get moving again. We need all the creativity, enterprise, drive and enthusiasm we can get, and people in the small business sector provide it.

Mark Pritchard: My hon. Friend is a great champion of the people of Northampton, South and is making an excellent case. Does he agree that it would help if we had more business representation on the Government Benches? If there were some experience of business there, there would be some understanding that large businesses started as small businesses. Small businesses develop into medium-sized businesses, and those develop into large businesses, keeping people in jobs.

Mr. Binley: My hon. Friend is entirely right, and I support the general thrust of his question.

That allows me to conclude my remarks, which I am sure will delight you, Mr. Deputy Speaker. The measure is a simple change for the Government to make, which would mean so much for small businesses. I welcome what I believe to be the Government's support for the measure. I only ask them to implement it quickly and to ensure that it is properly managed, so that their intention is turned into the action that they wish to see. The sector is watching the House closely this day. It will watch how we act, what we say, and how the Government respond. I hope we can please the sector when the Minister replies.

11.23 am

Mike Penning (Hemel Hempstead) (Con): It is a privilege and an honour to follow an hon. Friend with so much knowledge of the business sector. I support the Second Reading of the excellent Bill introduced by my hon. Friend the Member for Mid-Worcestershire (Peter Luff). So many of the arguments that we have heard today are simply common sense. It is striking that it requires a private Member's Bill to introduce a measure that the Government and the House want and, more importantly, the business sector desperately needs.

Many of the arguments advanced today are relevant to my constituency. As we have heard, the measure is important for businesses in the rural community, but it is no less important for those in the urban community. As my hon. Friend the Member for The Wrekin (Mark Pritchard) said, it is small businesses that grow or that are taken over or amalgamated that become the larger organisations in this country. I represent a constituency that is both urban and rural, and there are pressures on both communities.

In my constituency the problems started long before the present recession reared its head. That was because of Buncefield in December 2005, when my business community and my residential community were devastated by the largest explosion and fire that the country has seen since the second world war. The business community and the local authority came together quickly and brilliantly, then a real issue arose. Many businesses had relocation insurance, but many did not, especially the small ones. Some moved to other premises if they could, but some went bankrupt straight away. They could not have survived.

When businesses moved to second premises, they still had a business rate liability for the premises that had been damaged by the explosion. I have raised the issue with Ministers before, but we still have not concluded how we can resolve the issue of special needs when something out of the ordinary happens. After three years, Lord Newton's inquiry has concluded. I praise his chairmanship of the committee, but the inquiry was carried out behind closed doors. We have never had a public inquiry into the devastation in my constituency. The inquiry concluded that my constituency needed special status to help businesses regenerate. The Government have had the report for some time, but we have not yet received any indication of what that special help might be.

One small change, in addition to the Bill, would be to say that instead of the new rule on empty rate business rates going to 100 per cent. of the business rate after six

months, if there are special circumstances, such as the fact that a factory has been blown to smithereens and it is physically impossible for workers to work there, the business is not charged at 100 per cent. after six months. That seems to be common sense.

When special events occur—a natural disaster or an industrial disaster such as the one in my constituency—why should a business be penalised for trying to keep going in another premises by at having to pay 100 per cent. business rate there, as well as 100 per cent. business rate after six months on the unfit premises that it left? Perhaps the Minister will address that when he replies. If he cannot do so today, will he write to me? It is an important issue.

The Bill is excellent, but there are aspects of it that need to be fleshed out in Committee, such as the point that I made about businesses that get rate relief on premises that, for some reason beyond their control, they have to leave and then claim business rate relief on a second property. Under the present rules and as the Bill is drafted, a business is not allowed to claim for two premises, but if it cannot stay in its original premises why should it lose the relief on its second premises? That is important to the hundreds of businesses in my constituency that, through no fault of their own, had to move out of their premises to other premises and, under the present rules, cannot claim the relief on the second premises.

Another fact that the Bill should address is that many businesses are not big enough to be in premises of their own, so they go into buildings of multiple occupancy or into serviced offices or premises. In that case, part of the service rent that those very small businesses pay is the business rate on the whole building. The service provider should be able to claim relief for the small business in those premises. That is a big issue for people who are trying to start up in business, and for businesses in my constituency whose premises have been severely damaged.

Such businesses may have had to downsize for that reason or because of the current business situation, and may have moved into serviced premises or premises of multiple occupancy. They are still paying the full amount of the business rate, in proportionate terms. Even if they qualified for business rate relief, they would not get it because they are not the main service provider. If the Bill does not progress to Committee, the Minister must still address that issue. Thousands of small businesses are in such premises and the business rate is a huge burden on them as part of their rent.

A further issue that I wish to raise with the Minister arose in my constituency this week when bailiffs arrived at a small office. Although more recently Government bodies such as Revenue and Customs, which collects VAT, seem to have got their act together, I am still getting calls from constituents who say that bailiffs are arriving to collect business rates, despite the fact that those business are clearly struggling. Promises were made by the Government, not least by the Prime Minister and the Chancellor, that businesses would be given all the help possible. That message is not getting through to all local authorities. As we have heard, some of them are doing well in promoting the relief on business rates through their good offices; it is clear, however, that others are not doing as well as they could. Has that anything to do with incentives? I do not mean financial incentives, but clearly it is a burden for a local authority to incentivise local businesses to come forward. If local authorities deploy members of staff day to day to promote the issue or give people the help that they need—rather than the bailiffs coming in—what is the benefit to them, given that their revenue streams, like those of all organisations, are suffering so much? I cannot see why a local authority would be keen to spend extra money on staff to promote the Government's scheme, let alone the one proposed today, if there were no incentive.

As I said in my intervention, local authorities are just collectors of the tax on behalf of the Government. They have to seek the best value for their residents. Why would they do what I have mentioned? The Bill will take away from local authorities the pressure of having to decide whether to invest in extra staff to help small businesses. If the Bill is passed, that problem will go away; local authorities will not have to consider extra help or involvement. Personally, I think that they should help; it is important that my local authority helps small businesses in my constituency. However, we have to understand the pressures that local authorities are under. I do not know why, for instance, Havering, which is a London borough, is so different from the unitary Thurrock authority, which was alluded to earlier. It may simply be the fact that it does not have the money to put staff on the front line to promote the scheme.

The scheme in the Bill will take many money pressures from local authorities and simplify things. As has been said, when we visit small businesses we often see that their in-trays are much larger than their out-trays. The pressures mean that they do not have time to fill in forms or to work out whether they qualify for the small relief or not. That relief, however, could be what keeps them going that little bit longer while they wait for new business or a new order to come in.

As we have discussed for generations of Governments, we should remove bureaucracy. The issue is about deregulation. We had a deregulation Minister when we were in power, but all we see now is businesses having more regulation and paperwork. This small, simple Bill will remove so much of that from small businesses and local authorities. It will simply say that people are entitled to help from the scheme as long as they tick the box to say that they are entitled in the right way. As I said earlier, we need to look in Committee at why certain people have two business premises, so that they are not excluded because of circumstances out of their control.

Protecting small businesses is surely what government is all about, especially at this time and especially in my constituency, which still suffers so much from the devastation of the Buncefield explosion. The recession, on top of that, makes it all a real double whammy for my constituents, who are suffering enormously. I do not understand why the Bill cannot go through quickly; it could pass through Committee in a couple of sittings and be on the statute book before the Government even start discussing the Budget. That is what businesses want: action today, not jam tomorrow.

11.34 pm

Robert Neill (Bromley and Chislehurst) (Con): I add my congratulations to my hon. Friend the Member for Mid-Worcestershire (Peter Luff) on having secured the

[Robert Neill]

opportunity in the ballot to introduce the Bill and on his excellent speech. I also thank and congratulate all the other hon. Members who have taken part in this debate.

It will not come as a surprise if I say that I am naturally inclined to support the "little platoons", to use a phrase mentioned earlier in the debate. Like a number of hon. Members, I have an indirect involvement with small business. When I was growing up and deciding what I was going to do in the world, my mother ran a small business, as did my stepfather. I am conscious of the difficulties that they faced—in particular, the hours that they worked and the issues that they had in coping with the paperwork involved in running a shop and a driving school. Things have not got any easier since. I am sure that Members of all parties have received correspondence that has brought such issues home.

My second point has been well made in this debate; it is about the extent and urgency of the problem for small businesses. The problem runs right across the small business sector. I do not want to be needlessly partisan, but there is no doubt that the recession is placing unprecedented burdens and difficulties in the way of small businesses—right across the piece, and in all parts of the country. That has been well alluded to.

When I was walking up one of my secondary shopping parades, I saw that the number of empty premises is increasing. We need to help people, and this Bill is a sensible measure that tries to do that in a targeted way. As the hon. Member for Somerton and Frome (Mr. Heath) said, one of the concerns of business is cash flow. The Government have promised some action on that, but I hope that the Minister will be able to assist us by saying when we are likely to see, for example, the moneys under the enterprise finance guarantee scheme. It is important for businesses that that should get flowing to the front line. Secondly, there is the question of overheads. I need not repeat the evidence, which has already been set out in considerable detail, of the significant role that business rates play as overheads for small businesses.

My hon. Friend the Member for Mid-Worcestershire was right to say that there is a wider and bigger issue as far as our approach to small businesses and business rating is concerned. I hope that in due course we will have the opportunity to debate those wider, bigger issues in the House. Some of them have already been flagged up. We are in the course of considering the Business Rate Supplements Bill, which has given hon. Members—including the Minister, my hon. Friend the Member for Northampton, South (Mr. Binley) and me—the opportunity to raise a number of the difficulties that the business rating system creates in the current climate. I hope that in due course we will have the chance to consider not only assisting small businesses with small business rate relief, but giving local authorities the ability to levy a discount on business rates, as well as provide the possibility of a supplement. My party is committed to that, and I hope that we will be able to look to carrying it out in due course. We cannot secure such a provision in the scope of this Bill, but this Bill would bring a targeted and immediate relief to the small business sector, and I wholeheartedly endorse that.

There have been a number of campaigns on behalf of small shops. I pay particular tribute to my hon. Friend the Member for Hertford and Stortford (Mr. Prisk), who is unable to be here today, but who has been very involved in the issue as shadow Minister with responsibility for small businesses. The campaign is an attempt to give small retailers information about one-stop shops and the means of raising their maximum entitlement.

My hon. Friend the Member for Mid-Worcestershire was right to pay tribute to the work of a number of local authorities, of all political persuasions, in trying to raise awareness of the issue. Essex county council is a particularly good example; naturally, I must make reference to Bromley borough council, my own local authority, as well. A lot of work is being done, but, as the Local Government Association itself recognises, even if there is some initial administrative burden, it would be better overall if there were an automatic relief. Resources currently used for one-off promotions could then be concentrated on other longer-term business development. It is not surprising that my hon. Friend's proposal has the support of not only the business community but the local government community. That is a pretty strong recommendation, and I hope that that will weigh heavily in the Government's consideration.

Reference has also been made to the variation in take-up among the regions. The fact that the recession is affecting every region is another reason we should be looking to a standardised scheme. Several examples have been quoted; another is the striking difference in take-up between the north-west and the north-east regions of England. Only 26 per cent. of eligible businesses take up the relief in the north-west; over in the north-east, however, it is 79 per cent.—the highest in the country. Similarly, there is a surprising difference between take-up in London and outside the M25 in the south-east, where it is 34 per cent. and 43 per cent. respectively. As my hon. Friend the Member for Hemel Hempstead (Mike Penning) rightly observed, there is no logical distinction between many of the business and economic models of towns on either side of the M25, for example. There are strong arguments for an automatic relief in that context.

I hope that in due course the Government will consider other measures that could assist small businesses, many of which operate in sectors other than the retail sector—in the ports, for example, which we have had the opportunity to debate on several occasions in this House. I hope that the Government will adopt, on a cross-party basis, a similar approach to the Bill in relation to the retrospective increase in rates in the ports and find an opportunity, perhaps through an amendment to measures going through the other place, to give relief to those businesses.

I hope that the Minister will also give his support to the specific and targeted proposals of my hon. Friend the Member for Mid-Worcestershire, whether in their current form or through another device. If he does so, he will have the co-operation of the official Opposition throughout in expediting that. We are happy to collaborate with the Government and other parties in seeing it, in whatever form, passed into legislation at the earliest opportunity, because that is what is required in the current circumstances.

The situation, which has been well set out by hon. Members, is exacerbated by a quirk in the working of the business rate system. As we have heard, business rates are set to rise by 5 per cent. in April 2009, despite retail price inflation being forecast to move, if anything,

towards the negative in the coming year. In addition, transitional relief, from which many businesses have benefited, is due to end in 2009-10. Unless something is done, they will face not only the 5 per cent. increase but an additional increase in the case of many firms that have been in receipt of transitional relief but now stand to lose it. That makes action on this issue all the more important.

Mr. Christopher Chope (Christchurch) (Con): Has my hon. Friend read the report in today's press confirming that the Chancellor of the Exchequer, who does not seem to want to come to this House much, is saying that he is determined to persist with the 5 per cent. increase in business rates in April? Will my hon. Friend also address the issue of the revaluation, which comes in next year? It will be based on April 2008 values, yet since then property values have declined significantly, so the rates that businesses will pay after 2010 will be based on unrealistic 2008 values.

Robert Neill: My hon. Friend is right; he makes a very cogent point. I hope that the Government will address that fairly urgently. It echoes the difficulties that arose in relation to businesses in the ports, where the failure of the Valuation Office Agency to compile up-to-date records led to the retrospective levy. There is great concern that people will pay levels of national business rate that reflect economic circumstances that are significantly out of date and no longer prevail. I should have thought that it would not be too difficult, by means of guidance or secondary legislation, to try to amend the basis on which the multiplier is calculated for the next period and the basis of any revaluation. We need to look carefully at that. Businesses face the double whammy of the revaluation and above inflation increases—in fact, it is a triple whammy, given the loss of transitional relief, unless the Minister is able to help us about what might be put in its place. Altogether, that creates an onerous burden for businesses at the very time when their margins will be pared back even more and their cash flows will become even more constricted. My hon. Friend makes a particularly cogent point, and I hope that the Minister will be able to address it. Again, I say to him that we are happy, in a spirit of collaboration, to assist the Government in dealing with any of these issues, which are about people's livelihoods in a very difficult time.

I noticed in today's press further comments by the Chancellor of the Exchequer about the concept of quantitative easing. I do not think that many small businesses would want to be found referring to quantitative easing; they are much too down to earth for that. They will be interested simply in ensuring that there is enough money about, and would have their doubts about printing more of it unless they knew where it was coming from. The Chancellor justified that measure in terms of helping businesses to grow. In the current climate, it is about helping businesses not just to grow but to survive. My hon. Friend's Bill is designed to help businesses to survive and then grow as the economy picks up.

Mark Pritchard: Does my hon. Friend agree that unless we hear from the Chancellor or the Prime Minister about what they hope to achieve from the quantitative easing measures that we have heard about over the past 24 hours with regard to targets on output and, perhaps, growth in the economy within a specific time period, this measure might be more about easing the Government's failing reputation on the economy than looking for definitive outputs as a result of it?

Robert Neill: I do not doubt that my hon. Friend is right. I hope that the Government will take that opportunity. I am conscious that we cannot make that subject part of this debate, Mr. Deputy Speaker, and I will not seek to be drawn too far into it, as I always value highly your good opinion. I am sure that I can try to develop that point on another occasion when I see a member of the Opposition Treasury team on the Front Bench.

I hope that the Minister and I can deal with the specific issues in the Bill constructively. It is a very small but targeted way in which the Government could address my hon. Friend's concerns and those of many others. If he is willing to say that the Bill will be given a fair wind, we will support him, but if he does not and the Government do not seek to go down this route, that will be not only a matter of great regret but a decision that the official Opposition would reverse at the earliest opportunity. A Conservative Government would seek to bring about automatic relief for small businesses, along with the raft of other measures that we would deal with, including reducing corporation tax for small firms, reducing payroll tax and enabling deferral of VAT bills. We need an overall package of measures for small business, as well as one to deal with business rating.

I hope that the Government will be prepared to work together with us on the Bill; if not, as my hon. Friend the Member for Meriden (Mrs. Spelman) made clear in Communities and Local Government questions in January, the Opposition already have an alternative package on the table. Let us hope that we can resolve this in such a way that all the parties work together. I look forward to hearing what the Minister has to say.

11.48 am

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Sadiq Khan): The good news is that I do not intend to make a three-hour speech. I know that that will please you, Mr. Deputy Speaker, and the House.

I thank the hon. Member for Mid-Worcestershire (Peter Luff) for bringing this important subject before the House. I smirked when I saw the Tellers in this morning's Division give the impression that they did not know what they were doing. The comment has been made that there should be a handbook on how to conduct a private Member's Bill. If only there were. One rule that I apply when considering such Bills is to ask who is promoting the Bill, whether he knows about the topic and whether the Bill is intended to address a public interest. The hon. Gentleman is charming and persuasive, he knows what he is talking about and he is trying to address serious problems that some of the most vulnerable people in our constituencies are facing. Whatever criteria one has for considering whether to support a private Member's Bill, he does pretty well on them.

We are living through a time of great economic upheaval and uncertainty, global in its origin but local in its impact on businesses and communities across Britain. The fair comment was made in the debate that if only more parliamentarians had experience of small

[Mr. Sadiq Khan]

business, the legislation and regulations that we make might be better, or there might be less such legislation. I speak as somebody who has personal experience of involvement in a small business. It did not quite have 250 employees, like that of the hon. Member for Northampton, South (Mr. Binley), but grew from having 12 to having more than 50. I know that the challenges that small businesses face in dealing with the bank manager or accountant, with human resources and with cash flow are huge, and I recognise the extent of those challenges at this difficult time.

The Government are very sympathetic to the aims behind the Bill. In our discussions with the hon. Member for Mid-Worcestershire, his passion about the ends of the Bill and his lack of obsession with the means have been noteworthy. I hope that he recognises that we appreciate that approach, given what I will suggest towards the end of my speech.

In a time of economic uncertainty, we are keen to find ways to support businesses, and especially smaller businesses, through the downturn. However, it is important not to let the urgency of the current situation blind us to the bigger picture of supporting the business community en masse. I know that we all want rapid solutions to the problems that we face at this time, but it is important for us to deliver a package of options that is well thought out. Of course the Government are seeking ways to help businesses, and the Bill has certainly presented us with food for thought.

Mike Penning: While the Government are pondering the matter and being thoughtful, businesses are going bust every single day of the week. Can we not have an announcement today that the measures in the Bill will be taken up? It could go through Committee in one day and we could soon be back for Report and Third Reading, and we could save thousands and thousands of jobs while instead the Government are still thinking about the matter. Surely the logical position is to move forward now.

Mr. Khan: If the hon. Gentleman, who is a friend, is a mind reader, he has misread mine. He does not know what I am going to say. I will let him intervene again towards the end of my contribution if he wishes to do so.

Mr. Evans: I have a simple question. Wales introduced this measure in April 2007. What is the problem with England introducing it in April 2009?

Mr. Khan: I was going to come on to the hon. Gentleman's point about Wales in about three minutes. I wish first to deal with the contribution of the hon. Member for Mid-Worcestershire, who made a cracking speech. His analysis of the problems facing small businesses was spot on. He talked about the practical assistance that can be given and accepted that the Bill represents a small part of a bigger package that is required. He has never claimed that it is a panacea for all the challenges that face small businesses, and that temperate and sober approach is important. This one measure will not by itself end those challenges, but it can be part of a package to help small businesses.

The hon. Member for Somerton and Frome (Mr. Heath), who is a sponsor of the Bill, explained that he had stepped aside when he found that the hon. Member for Mid-Worcestershire was introducing it. He made a number of comments. He will accept that many of them were outside the scope of the Bill, but I believe that he was seeking to highlight the challenges facing small businesses, whether on cash flow or credit. He talked about his party's policy on council tax as well as business rates. He said that business rates will be going up by more than inflation. He knows that the rates are capped by retail price index inflation each year, but I appreciate his point about catch-up, delay and the problems that small businesses experience in that regard.

The hon. Member for Ribble Valley (Mr. Evans) told us about his experiences as a small business man and the challenges that he faces. In his short speech, he spoke about accountants' advice, underlining that most small businesses are a labour of love and that people are often small business men because it is in their blood. He said that sometimes an accountant will advise a small business person to give up what they are doing and work in Tesco. I hope that he does not take that advice. The House would be poorer for his filling shelves in Tesco, even though he might be better remunerated.

The hon. Gentleman made the important point that we must not assume that one size fits all. He mentioned the impact on pubs, which is important. He emphasised that we need to say, loud and clear, to small business people that the rate relief is not a windfall but something to which they are entitled, but often do not claim. We acknowledge that, as does the hon. Member for Mid-Worcestershire.

Notwithstanding the personalities involved, all of whom, on their day, can play knockabout politics, the debate has been conducted temperately and calmly. Hon. Members have not tried to use the opportunity to have a pop at one another—and I think that the hon. Member for Mid-Worcestershire wanted the debate to be conducted in that spirit. I will not, therefore, rebut the points that individual Members have made, but clarify matters where I can.

In that context, it is worth clarifying the important point that the hon. Member for Ribble Valley made about Wales, where it is true that a different system operates. However, the scheme in Wales is also different in that businesses do not fund it and it is available to multiple occupiers under a lower threshold. Although the hon. Gentleman is right that the semi-automated system was introduced in Wales on 1 April 2007, the onus is on local authorities, which must be satisfied that the businesses meet the qualifying criteria before giving them the relief. It is generally available to businesses regardless of the number of properties that they occupy within the threshold, which is much lower than in England. The Scottish system is also different, and the direction of travel in Scotland is the other way. There are, therefore, different solutions in different parts of the country. It is not simply a case of replicating what happens in Wales.

I call the hon. Member for Northampton, South a friend because we served together on the Committee that considered the business rate supplement. He is a sponsor of the Bill and he talked about his personal experience of founding two companies employing more than 250 people and his current role as a non-executive

director. He gave one example of his confidence and experience having enabled him to speak to the bank manager last September, whereas other small business people, who may be more timid and—to be frank—less savage, may not do so and consequently lose out and get a less favourable deal. We are taking steps to help with cash flow and I can write to him about them, if he would like me to do so. I will not go on about them this morning, if he will forgive me.

The centrepiece of the contribution of the hon. Member for Hemel Hempstead (Mike Penning) was about removing bureaucracy and regulation. Clearly, that is crucial. I endorse the view that Parliament should be formed of more small business people partly because they recognise that need, and also know about the problems involved with the box in the corner of the office or the table continually stacked with forms to fill in. We all know from our constituencies that small businesses experience such problems.

The hon. Gentleman made an important point about rural constituencies—and, in his case, the collateral damage that the Buncefield fire caused small businesses, notwithstanding the recession.

Mike Penning: I am sorry if I misled the Under-Secretary, who has obviously not visited my constituency, but Buncefield is not in a rural part but smack bang in the middle of my town.

Mr. Khan: The hon. Gentleman pointed out that small businesses in rural parts of the country are also suffering. He argued persuasively about the special circumstances in his constituency, whether the challenges posed by the empty property rate relief after the fire, or the shared premises that have been serviced and the problems with small business rate relief and business rates generally. As for those points, he can be in no doubt that the Treasury will be reading this debate in *Hansard*. I will ensure that they are flagged up and that he is given a response.

The hon. Gentleman's further point, which caused me some concern, was about the impact of bailiffs, particularly in relation to business rates. I will look into that. If he speaks to me after this debate behind the Speaker's Chair or writes to me with examples, I will undertake to look into that issue, which is an additional challenge. I also take on board his sense of urgency, which I will address later.

I am not sure whether the hon. Member for Bromley and Chislehurst (Robert Neill) was talking about a battalion of small troops or a small battalion of troops, but there is a difference. He talked about the challenges facing the retail sector, as well as the postcode lottery around the country and the role of local authorities. I will not fall into the trap—although it would enable me to speak for much longer—of talking about other issues, whether quantitative easing or revaluation, but we are alive to the other issues facing small businesses.

Hon. Members will be aware of some of the things that have already been done to assist businesses, but I would like to remind the House of a few of the important steps that have been taken recently. The 2008 pre-Budget report announced a credible package of measures to provide an immediate benefit to businesses, including a cut in the main rate of VAT to 15 per cent. and a deferral in the increase in the small companies rate of corporation tax—£21 billion of real help for businesses, a lot of them small businesses.

To further help companies struggling to access finance for working capital and investment, on 14 January—just over six weeks ago—my right hon. Friend Lord Mandelson launched in the other place a support package that consists of loan guarantees and a new equity fund. The hon. Member for Bromley and Chislehurst, speaking from the Opposition Front Bench, pointed out that that had not reached the streets yet and that our constituents were not seeing the benefits. I accept that. We need to ensure that the process is speeded up, so that the benefits are received sooner rather than later.

As the hon. Gentleman said, the package comprises the enterprise finance guarantee scheme, which will provide £1 billion of guarantees to support up to £1.3 billion of bank lending to smaller firms with an annual turnover of up to £25 million that are looking for loans of up to £1 million for a period of up to 10 years. There is also the working capital scheme. Small firms do not apply for the scheme; instead, banks will bring to the Government portfolios of their existing and new lending, which the Government will guarantee. The scheme will therefore not be visible to small firms, but it will help to maintain existing lending and increase the availability of additional lending.

The capital for enterprise scheme is a new £75 million fund to help viable small businesses with high levels of existing debt to raise longer-term finance. Professional fund managers will assist in that regard. On regional loans and the postcode lottery, if a business has not been able to secure funding from its bank using the enterprise finance guarantee, it may be eligible for a loan from its local regional development agency.

Robert Neill: I appreciate the constructive approach that we are both endeavouring to adopt. I am also most grateful for the Minister's recognition of the need to get the funds under the various programmes that he has outlined to the businesses on the front line, so to speak. However, can he help us any more, either today or elsewhere, on the time frame within which that is likely to be achieved?

Mr. Khan: Of course I can help: it will be done as soon as possible. I feel the frustration—we would like an exact date too—but the hon. Gentleman knows the challenges. When we give a date and it is missed, people stand up at Prime Minister's questions and make cheap points about it. We are trying to do things as soon as we can, but if I have a firm date, I will send him a note, so that he can pass it on to his constituents and others.

Robert Neill: I am grateful to the Minister, but I do hope that he accepts the sense of urgency if nothing else.

Mr. Khan: As hon. Members will be aware, we have also recently taken steps to alter the small business rate relief, which was introduced in 2005, so that applications can be made even if the ratepayer takes up occupation of a newly occupied property mid-year. From 2009-10, the statutory requirement that a property should be on the rating list on 1 April in order to be eligible for small business rate relief in that year is

[Mr. Khan]

being removed. The 1 April restriction was recognised as unnecessarily preventing local authorities and businesses from utilising the SBRR from the date on which a business first occupied a property. The removal of that restriction will allow more flexibility for small businesses and local authorities.

Mr. Chope: I am grateful to the Minister for setting out the help that the Government say they have been giving to small businesses. Does he accept, however, that if a small business is thinking about whether to renew or extend a lease, or to take out a fresh lease on premises, it needs to have a perspective of more than one or two years? It needs to be able to think in terms of five or seven years, which are normal lengths for a lease. It therefore needs some certainty about Government policy relating to the revaluation, and to know whether it is likely to be penalised by the 2008 rateable value. The Government have given no guarantee that the relief scheme will continue when the revaluation takes place from 2010. Those are important considerations for any business thinking now about whether it wishes to continue in its present premises or invest in new ones. I think that the Minister accepts that we cannot have short-termism, and that there is a need for certainty in the medium term. Will he give medium-term certainty to those small businesses?

Mr. Khan: The hon. Gentleman will understand that I am not going to deliver the Chancellor's Budget today. I recognise that small businesses want certainty and clarity, and we will seek to do as much as we can. There is an irony, of course, in that we were the party and the Government who were criticised for having five-year and 10-year plans, yet we are now being asked to have them. We will try to provide the certainty required, as that is one of the factors that small businesses will consider when deciding whether to renew or extend a lease; there are others. That is why experts must be available locally to give businesses the advice that they require, rather than mandarins or politicians in Whitehall.

My right hon. Friend the Minister for Local Government and I had a useful meeting with the hon. Member for Mid-Worcestershire and his associates two weeks ago. I should like to thank the hon. Gentleman again for that constructive meeting, at which he and the Federation of Small Businesses, which is supporting his Bill, said that the small business rate relief system was a good one, and that they were seeking to make the present system automatic. The question that we are asking today is whether to automate.

I should like to set out in more detail what the present small business rate relief system does and how it works, because it is important to understand its logistics when considering the Bill. As we understood the challenges that small businesses face, and because we knew that rates placed a disproportionate burden on them, we introduced the small business rate relief scheme in 2005. The scheme is targeted—I emphasise that word—at small businesses that meet a number of criteria, including that of occupying a single property in England. The system is different in Wales and Scotland. During the valuation cycle for business rates, a business seeking to obtain small business rate relief is required to make a declaration on a pro forma, stating that it meets the criteria, before being granted the relief. We have recently amended legislation to make this process easier for businesses; I shall elaborate on that point in a moment.

The scheme was introduced in 2005, and addresses the disproportionate burden that business rates place on small businesses, compared with larger concerns. Relief is available at 50 per cent. to eligible properties, up to £5,000 rateable value, with relief decreasing at the rate of about 1 per cent. per £100 of rateable value up to 0 per cent. at £10,000. It has a buffer zone for properties between £10,000 and £15,000—or £21,500 in London, for obvious reasons—that meet the small business rate relief eligibility criteria.

These ratepayers, after certifying that they meet the eligibility criteria, do not have to contribute to the cost of the scheme. The scheme is paid for by businesses not receiving the relief, through a supplement on their rate bills. For 2008-09, the supplement is 0.4p, as the hon. Member for Mid-Worcestershire said. It is worth pointing out, as this matter has been raised in the debate, that the number of properties reported by local authorities as claiming small business rate relief as at 31 December 2006 was 392,000. That is the latest published figure. The amount of relief given in 2005-06 was £202 million. In 2006-07, it was £237 million, and in 2007-08 it was £260 million.

The criteria, apart from the rateable value, are that ratepayers may occupy only one property in England, but other properties—this was referred to by the hon. Member for Mid-Worcestershire—with a rateable value under £2,200 can be disregarded in deciding whether the single-occupancy criteria has been met.

Mike Penning: We have heard how many businesses received the relief and how much money that was, but what percentage of the businesses entitled to the relief does that represent?

Mr. Khan: That is a very good question, and I will come to one of the challenges in answering it in a few moments. Variations around the country were referred to, and I will come to why the question is difficult to answer.

Properties with a rateable value under £2,200 can be disregarded, as I have said, but the rateable values of such properties are included in determining whether or not the threshold criterion has been met.

I turn to the application process, which is really what is being debated today. I have already set out my understanding that the aim of the Bill promoted by the hon. Member for Mid-Worcestershire is not to amend the current scheme, but to remove the application declaration process and for the relief to be granted automatically. Small business rate relief is not currently applied automatically, so ratepayers must apply to the relevant billing authority. The application form makes it clear that it is a criminal offence to make false declarations, which allows the local authority granting the relief to assess whether all the eligibility criteria have been met. Those ratepayers certifying through their application that they meet the given criteria then receive the relief. The application process reduces the risk of ratepayers receiving relief when they are not eligible.

The requirement that ratepayers have to apply for the relief is set out in primary legislation. That was introduced to ensure that the relief was concentrated on businesses most in need. By that, we mean that the relief should not be available for larger businesses that occupy a number of small premises. It is targeted at genuine small businesses that need the relief the most.

Peter Luff: The Minister is making a very helpful speech, but does he understand that the businesses not applying might be those that are actually in greatest need?

Mr. Khan: Of course I do; I am coming to some of the things that we are doing to ameliorate that concern, which the hon. Gentleman expressed well in his speech and the discussions that we have had.

There are a number of ways in which information about the relief scheme is brought to the attention of potential beneficiaries. The hon. Member for Mid-Worcestershire provided a number of good examples where local authorities were ensuring that local small businesses in their community, many of which need the relief, are being targeted to receive it. Some local authorities include with their rates bills information about the small business rate relief scheme and the availability of other reliefs. The point was made that when local authority officials go out with their clipboards to inspect, visit or meet local businesses for a variety of reasons, they could as a matter of course ensure that the relief scheme was explained and there and then get the businesses to sign the pro forma—not rocket science. Some authorities organise separate mailshots to ratepayers likely to benefit from relief and include information about reliefs on their own websites. The website businesslink.gov.uk contains information about various aspects of the non-domestic rating system, including the availability of rate reliefs.

I mentioned earlier that we have recently taken steps to amend legislation to allow more flexibility in the application for the small business rate relief. Arrangements for applying for the relief have been simplified; they came into effect in 2007-08. Instead of having to apply for the relief each year, applications can now cover the whole valuation period. For example, a ratepayer can make just one application for relief covering the last three years of the 2005 rating list—namely for 2007-08, 2008-09 and 2009-10. Eligible businesses have until 30 September 2010 to make their applications.

Although we are sympathetic to finding ways to help businesses, I shall explain why we are unable to support the Bill at this time. A number of wider issues relating to the mechanics of the support package may be offered to businesses via the rates system and there are also practical issues presented by the automation of the small business rate relief scheme. For example, granting relief automatically transfers the responsibility for ensuring that the properties meet the criteria for small business rate relief from the businesses, which know whether they meet the criteria, to local authorities, which might find it harder to determine, as in the case of new businesses, thus increasing the administrative burden on local authorities. We are not entirely comfortable with the idea of asking a local authority, at this time, to shoulder another responsibility that could easily lie with business. We would have to consult authorities formally to gauge their reaction before adopting arrangements for automatic relief.

I said earlier that central Government were seeking ways in which to help businesses, but that is also true of local government. The hon. Member for Bromley and Chislehurst gave some examples of best practice among local authorities. The current state of the economy offers local government an opportunity to show true leadership—to respond rapidly to needs, and to provide real help in tough times—but it is the duty of central Government to support it, and we are concerned about the potential for an additional administrative burden to be imposed on local authorities.

It is difficult to be precise about costs, because there is no way of knowing whether all the businesses occupying properties that fall below the rateable-value threshold for small business rate relief meet the single-occupancy criterion and are therefore entitled to it. It is possible that only a small number of the businesses that the hon. Member for Mid-Worcestershire fears are eligible but not claiming the relief—or even none—are actually entitled to it.

Although it is difficult to be precise, there is the potential for a substantial increase in costs, which would in turn have a potentially significant impact on the multiplier or supplement that ineligible businesses pay to fund the small business rate relief scheme. We cannot consider imposing such a potentially big change on businesses without more detailed information on other options that would not pass the cost to them.

Mike Penning: I am listening intently to the Minister's explanation of why the Government do not know how much it would cost to implement the scheme, but the Treasury must have given the Department a certain sum on the assumption that a certain number of businesses would take up their entitlement. He has already told us how much that sum was and how many businesses were expected to take advantage of it. The Treasury's business plan must include a presumption of the amount that would be spent. What percentage of that amount remains to be spent?

Mr. Khan: I am sure that the hon. Gentleman was listening carefully, as I was, when the hon. Member for Mid-Worcestershire explained that the amount given to bigger businesses in preceding years had been reduced because fewer businesses than expected had applied for the relief. The precept, which had been 0.7p, fell to 0.4p.

Mike Penning: The Minister has spoken of an increased cost burden. Some of that extra cost will be administrative, and some will be in physical terms. If it is being offset by the percentages given to larger businesses, I cannot see where the increased cost will be. At present, those running businesses must sign a form declaring that they are not defrauding the Department. New forms with the same requirement are already in place.

Mr. Khan: A number of criteria must be met before the relief can be received. That is the point of the forms. Under the automatic system, all businesses occupying properties below the rateable-value threshold would receive the relief.

Peter Luff: It would be helpful to put on record the Minister's confirmation of what I understand to be the case. I think we all agree that the highest possible figure for non-take-up is around half the number of small businesses. If the current precept is 0.4p, it would rise to roughly 0.8p. Although I accept that the precise cost is unknowable, the magnitude is known with an extraordinary degree of precision, and I consider it to be so tiny as to be of inconsequential significance to larger businesses such as the Tesco superstore in my constituency.

Mr. Khan: I shall be dealing with that point in about 30 seconds, but the point that I am making is that it is difficult to be precise about costs. There is a perception that not all eligible businesses are utilising small business rate relief. It is that belief that has led to the hon. Gentleman's introducing the Bill. I understand that the main driver for his suggesting an automated scheme is that he believes that the major cause of businesses not claiming the relief is that they are unaware that they are entitled to it.

It is important to set out the Government's understanding of that perception—and doing so will deal with the point that the hon. Gentleman has just raised. While it may be possible that not all eligible businesses are applying for and receiving the small business rate relief, it is impossible to know how many eligible businesses are not receiving it. I have heard figures such as 50 per cent., but it is not beyond the realms of possibility that all eligible properties are in receipt of the relief. I accept, however, that any Member who has spoken to local businesses in their constituencies will know—*[Interruption.]* Yes, I accept that that is a theoretical possibility.

Mr. Heath: I am listening intently to what the Minister is saying. Am I right in interpreting his comments as follows: when the Department formulated its rate relief plans only three years ago, it was 100 per cent. wrong in its estimate? *[Interruption.]* No, 100 per cent., in that it estimated twice as much as what the Minister is now saying is the likely effect of the rate relief. The estimate was 0.8p, but the Minister now believes the actual figure to be 0.4p. In that case, why was the estimate so wrong then, or can we reasonably assume that the estimate is right, but the take-up is, in fact, the problem?

Mr. Khan: As the hon. Gentleman knows, there are a variety of possible reasons why the number of businesses today is different from the number predicted three years ago. *[Interruption.]* Yes, there could be more, but, in the current climate, I think it is fair to say that there are probably fewer.

May I deal with the perception point? Figures such as 50 per cent. have been mentioned, and I have explained that there is a theoretical possibility that it could be higher. The reason why it is difficult to state categorically whether there are any—and, if so, how many—eligible properties not receiving the small business rate relief is because there are many unknown factors. For example, a number of these properties may be unoccupied and therefore ineligible for the relief. Another reason could be that they are occupied by charities or other such entities, such as community amateur sports clubs, and are therefore in receipt of other reliefs. They could also be occupied by the same rate payers, such as a chain store, and therefore be ineligible.

I said at the beginning of my speech that we are looking at the wider picture of support for businesses through the downturn. Members will be aware that the always eagerly anticipated—although more than usual this year—Budget report is scheduled for 22 April.

Mr. Chope: Will there be an announcement in the Budget about when the Government will give us information on the new thresholds for eligibility for small business rate relief consequent upon the 2008 revaluation? If the Minister is saying that that will be mentioned in the Budget, that is fine and I will not press him to mention it now, but will it be mentioned in the Budget?

Mr. Khan: A man of the hon. Gentleman's experience will know that only a foolish Minister would respond to a question about the Budget six weeks before it, and a smart Minister would move on with his speech. I am not privy to what my right hon. Friend the Chancellor may put in the Budget report, but I do know that robust consideration is being given to what is the best method of support for businesses, and the private Member's Bill of the hon. Member for Mid-Worcestershire has, no doubt, driven the matter even further up the agenda.

Mr. Chope: I accept what the Minister has said so far. Will he therefore guarantee to the House today that he will press the Chancellor to include in his Budget speech an announcement of the new arrangements following the revaluation?

Mr. Khan: Smart and intelligent Ministers have regular conversations with the Chancellor in the weeks preceding the Budget.

Mark Pritchard: The Minister will know that smart and highly intelligent Ministers, of whom he is one, are also aware that if something is worth saying, it is worth putting down in writing. I wonder whether, when he is pressing the Chancellor, he might press him in written form and lay a copy of that letter in the Library.

Mr. Khan: I found in my previous life as a lawyer that asking the same question 12 times often gets the same answer 12 times. Following the third attempt, I will try to move on.

Peter Luff *rose—*

Mr. Khan: We are going to get to 12, are we?

Peter Luff: I am very conscious of the fact, Mr. Deputy Speaker, that I am about to ask the Minister to break the rules of the House, but I would not mind if he repeated the few words that he said just before the intervention from my hon. Friend the Member for Christchurch (Mr. Chope), because I think that he was getting to the crucial part of his speech and I want to hear exactly what he was saying.

Mr. Khan: I will get to what I intend to say in a moment.

I am not privy to what the Chancellor is going to put in his Budget report, but until the package of options has been released—and after central Government have come together and found a way forward—we cannot at this stage support the Bill. The issue of the best ways to

support businesses, particularly regarding concerns over their rates liabilities, is a wider one that cannot be dealt with in the Bill, and is separate from broader considerations of what should be included in the Budget report on 22 April.

Before I end, I want to put a number of important things on the record. The hon. Gentleman's Bill is full of good intent, but it is not a vehicle that we believe can be used at this time to deliver help to businesses. However, I must emphasise that we have not ruled this out as an option for the future, and we are most grateful to the hon. Gentleman for bringing it to the House and allowing the opportunity for a useful debate and discussion. Concern was expressed about things being in writing, and I am sure that the Treasury will read this debate in *Hansard*. I thank both the hon. Gentleman and the Federation of Small Businesses for their contributions.

The hon. Gentleman has raised an important subject in the House today. His position as Chairman of the influential Business and Enterprise Committee has obviously given him a valuable insight into the type of help that small businesses will need in this time of great economic upheaval and uncertainty, which is global in its origin but local in its impact on businesses and communities across Britain. I should point out that it is not only the hon. Gentleman's substantial parliamentary experience that has given him an insight into the needs of small businesses. His valuable experience as a successful business man in the communications industry, as well as being the company secretary of his family's retail stationery firm, has helped to form his views and to inform this excellent debate. I congratulate him. He has served well not only his constituents who own small businesses, but all small businesses across the country, including in my constituency, by highlighting to the Government the real issue that small businesses face regarding the impact of business rates.

As the biggest representative body for small business in the UK, the FSB's valuable input should also be recognised. We know that it is excellent at promoting and protecting the interests of its 215,000 members, be they self-employed or owners of small firms. Its purpose is to promote the interests of members, to publicise the benefits of being self-employed and of business ownership, and to identify the continually changing needs of its members. I can honestly say that, with the help of the hon. Gentleman, the FSB has truly served its members' objectives well in highlighting the impact of business rates.

The Government are pleased to enter into this debate, as the hon. Gentleman knows, with the help of the FSB, which has identified an area of economic help that might assist small businesses in the current climate. However, as I said at the outset, the Bill and what it is trying to achieve cannot be viewed in isolation and must be seen in the wider context. Clearly, Government should support the aims put forward today by the hon. Gentleman with the support of the FSB. Between them, they have come up with a proposal in which there may well be merit. However, until the Budget report, we are not in a position to be certain that this choice would deliver the highest and/or fastest benefit to small businesses from the package of wider options on the business rate. For all those reasons, regrettably, we cannot support the Bill, and I ask the hon. Gentleman to take on board the points that I have made and to withdraw the motion.

12.29 pm

Mr. Christopher Chope (Christchurch) (Con): It is a pleasure to follow the Minister, although his concluding remarks were disappointing; he had raised our expectations and they were slightly dashed by what he said. He said that it was important that we should put our concerns on the record and that they would be put to the Chancellor in preparation for his Budget. In a short contribution, I should like to spell out a bit more my concern, which I have tried to articulate in interventions, about the impact of the revaluation on small businesses. The threshold of entitlement to the rate relief is based on having a rateable value of less than £15,000, or less than £21,500 in London. Those rateable values are based on rental values in 2003.

Mike Penning: I wish to raise again the issue of properties in Buncefield, in my constituency, that are not lettable because of the inquiry and problems associated with the depot explosion, but in respect of which a charge of 100 per cent. of the rate is being made—the charge is likely to go up when the new tariffs come in. My constituents are suffering enormously, and although these places are not lettable they are going to be charged 100 per cent. of the new rate—it is not even 100 per cent. of the current rate.

Mr. Chope: I sympathise enormously with my hon. Friend and his constituents. This is an example of what happens when unintended consequences flow from ill-thought-out Government legislation, of which we have had a plethora during the past 10 or 11 years.

The 2003 rental values are far below what the 2008 ones will be. I do not have an exact percentage, but let us suppose that 2008's rental values are twice those of 2003. That would mean that following the revaluation, all other things being equal, the eligibility threshold would need to be doubled in order for it to be of the same value in the future to small businesses as it is currently. The Minister has failed to address the questions that I have asked on behalf of small businesses and their concern on this issue. We cannot leave this until tomorrow, or until next week or next year, because people paying rent on premises under a lease will want to know what the future is for them when they consider whether they should renew the lease. A mass of business premises are vacant, and people will hold back from taking on leases on those if there is uncertainty about the future. Small businesses, above all, want to have certainty about what their overheads are likely to be in the future. Business rates are an unavoidable overhead and many small businesses have gone under because they have failed to appreciate the fact that they cannot avoid paying rates and that those are a first charge upon the business.

I wish to impress upon the Minister that this issue is very important. If we do not get an announcement in the Budget, at the latest, this continuing problem will hang over small businesses and the whole of the rental sector affecting relatively small leasehold premises into next year and beyond. I hope that the Chancellor will say in the Budget that because of the current economic crisis the revaluation based on 2008 rental values will be abandoned—that would be extremely welcome to small business. Again, such an announcement could be made instantaneously at the time of the Budget, and that may

[Mr. Chope]

justify a Budget headline saying that the Government are helping small businesses. If we do not get something like that, the Budget will not be one that helps small businesses. I am very concerned that the body language of, and what is coming from, the Chancellor at the moment—I base this on his adamant refusal to reduce the 5 per cent. increase in business rates that will come in from April—shows that he has not fully comprehended the gravity of the crisis facing our small business community.

I agree with the Minister about the work of the FSB, which has a strong branch in my constituency and in Dorset. I was one of the founding members of the National Association for the Self-Employed, from which the FSB grew, and it is a very important organisation that represents an important part of our economy. It also represents areas of potential growth in the economy, and I am disappointed that not enough advice is given to people who are being made redundant about the possibility of setting up their own business and becoming self-employed. However, that is a topic for another day.

I hope that I have succeeded in putting on record my concern about the revaluation and its impact on small businesses and their ability to meet their rate bills. I congratulate my hon. Friend the Member for Mid-Worcestershire (Peter Luff) on introducing this Bill. It is amazing that all the Back-Bench contributions have been from Conservatives—or perhaps it is not so amazing, because we have always been the party of small business. Other parties have tried to claim that they are the party of small business, but today we have seen the genuine Conservative party with the concerns of small businesses at its heart. I hope that we will be able to make some progress with this important Bill.

12.36 pm

Peter Luff: I am most grateful for the opportunity to reply briefly to this debate, which has left me in a quandary. The Minister has obviously been reading the Disraeli manual on flattery of the royal family—lay it on with a trowel—and I am grateful for his kind words, especially about the Federation of Small Businesses, which deserves such flattery. However, we must not allow flattery to influence our judgment, and we must be hard-headed in our approach.

We have had an excellent debate that has been very good-natured. Every Member who spoke did so passionately and convincingly, from a basis of a real understanding of the issues. The hon. Member for Somerton and Frome (Mr. Heath) spoke of the urgent need for this Bill, and my hon. Friend the Member for Ribble Valley (Mr. Evans) spoke of the role of community pubs and how that should be treated by the rating system. My hon. Friend the Member for Northampton, South (Mr. Binley) is always a powerful advocate for the cause of small business, and he made a particularly good speech today. My hon. Friend the Member for Hemel Hempstead (Mike Penning) made some interesting suggestions that probably go beyond the scope of the Bill and could not be incorporated in it—although I could be wrong about that—and give me some cause to think that the Minister may have a point about the package. However, the Department should take my hon. Friend's suggestions on board.

I am very grateful to my hon. Friend the Member for Bromley and Chislehurst (Robert Neill) for his kind words from the Front Bench and for confirming that our party supports this proposal—it has not always been the case—and will introduce it should we win the next election. That is very encouraging. My hon. Friend was challenged about quantitative easing, but in my opinion small businesses are least likely to benefit from that as they do not have many corporate bonds to sell to the Bank of England. That is a debate for another day.

My hon. Friend the Member for Christchurch (Mr. Chope) made a surprising and helpful contribution at the end of the debate. He made the enormously important point about revaluation, and the scale of money involved is huge. I agree that it is crucial that those issues are addressed clearly and categorically in the much-delayed Budget statement and debate.

The Minister showed seductive charm in replying to the debate, but I disagreed with him on some points. For example, my Committee heard evidence that the VAT reduction was a problem for small businesses, not a benefit, because it put a huge administrative burden on them. It was okay for big businesses, but bad for small ones. That point can be considered further perhaps in Monday's debate on the Department for Business, Enterprise and Regulatory Reform.

I loved the Minister's sub-Shakespearean theme of to automate or not to automate, although I do not think that it would make it into "Hamlet". However, I do not accept two of his main reasons for opposing the Bill. First, I do not accept that the burden of responsibility would be transferred to local authorities, because they are doing most of this work already. The legal responsibility could rest with the small business, using the device that I mentioned, and in any case the LGA is an enthusiastic supporter of the Bill. If the trade association for local authorities does not share the Minister's concern, the Minister should also relinquish it.

Nor do I accept that costs would rise substantially. I made a clear case, using the example of two large companies in my constituency, about the scale of the cost for them, and it would be peanuts compared to the benefit that the Bill would bring to small businesses and the wider economy. It is true that we do not know exactly how many businesses are not claiming, but we can know, because we know the number of hereditaments in the valuers offices' lists, the maximum possible number. It cannot be much more than half, so we know it cannot be much more with an increase from 0.4 to 0.8, and thus that argument does not hold water for a second. I want to re-emphasise what my hon. Friend the Member for Northampton, South said. Small businesses are fighting to be here next year—that is their business objective, he said. That is a powerful message that sums up the debate.

I have won many battles as the Bill has progressed with my good friends in the FSB. I have persuaded my party of the rightness of my cause, and I have won the support of almost every lobby group one can think of, with the acquiescence of two that have some reservations. At the end, the Minister has said that he does not rule out the possibility of adopting the measures in the Bill. I have listened to the overall tone of his remarks, and it is my judgment call on how best to advance the issue. He is right: I do not want my name on the statute book—I want small businesses to thrive and prosper,

and to be free of every possible burden. I have had dealings before with the Minister for Local Government—we have negotiated, and he has always been true to his word, which is an encouraging sign. I know, too, as a parliamentarian that if the Government are genuinely opposed to the Bill they can easily kill it on Report and Third Reading. It is much easier to do so then than it would be today. We could have a pyrrhic victory today, only to go down in flames in a few weeks' time. With great reluctance, I have therefore taken the decision to trust the Government, and hope that the Minister delivers on the implied promises. I hope that the debate will give him the ammunition—and, indeed, his colleagues in the Department for Business, Enterprise and Regulatory Reform—to go to the Chancellor and say, "Everything possible must be done." The sum of many small things such as the Bill could make a huge difference to the small business community. Having taken that decision, I seek leave to withdraw the motion.

Motion and Bill, by leave, withdrawn.

Scottish Banknotes (Acceptability in United Kingdom) Bill

Second Reading

12.42 pm

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): I beg to move, That the Bill be now read a Second time.

May I say at the outset that I am grateful to the Minister and to the Secretary of State for Scotland for the opportunity to discuss my Bill with them before Second Reading? I am grateful, too, to the many constituents and other people mainly, and perhaps not surprisingly, from Scotland, who have been in touch with me since I intimated my intention to introduce the Bill. Indeed, many aspects of the measure are summed up in an e-mail that I received only this morning from Johann Murrison, in which he said:

> "I am a Scot who has been living abroad for sometime and when returning home here there are times when I travel through England. I find it not only irritating that Scottish bank notes are not accepted and refused by retailers but find this overall insulting more so when some appear willing to accept Euros.
>
> The reason being, that when refused in a retail shop which has other onlookers one feels they are being accused of trying to pass counterfeit or illegal money, which is very unsettling and embarrassing.
>
> I fully support your private members bill and feel that resolving this issue is long overdue and the law truly needs to take into account not only this issue but also recognize the history of Scottish Notes".

Inevitably, in pursuing a measure such as this, I learned a number of things about banknotes. First, there are relatively simply marker-type pens available that can easily determine if a banknote is a forgery. Secondly, in the presence of a television camera, Scottish banknotes are universally accepted. Indeed, in retrospect, a Bill requiring TV cameras to turn up every time a Scottish banknote was handed over would achieve the desired effect.

My constituents were instrumental in the Bill's inception. After my position in the ballot for private Members' Bills was announced, I sought their views on what piece of legislation I might introduce. Non-acceptance or, I should say, non-acceptance of Scottish banknotes was certainly to the fore. It was an issue with which I was personally familiar and a problem, at least anecdotally, that most Scots have experienced. There is also a phenomenon to which my constituency of Dumfriesshire, Clydesdale and Tweeddale bears witnesses. My constituency has as its backbone the M74 corridor linking central Scotland with the north of England. Increasingly, people who are heading back to England, having spent time in Scotland and found themselves in possession of Scottish banknotes, are going to local banks and businesses and asking to have their Scottish notes changed to Bank of England notes, for fear that they will run into difficulty with the use of the Scottish notes back in England. My constituents deal politely with such requests when they can be accommodated, but they are irked by the implicit suggestion that there is something wrong with the Scots notes.

Mr. Tim Boswell (Daventry) (Con): I am listening to my hon. Friend's argument with a great deal of sympathy. He will be aware that there has been much discussion in

[Mr. Tim Boswell]

recent days about quantitative easing. Given the particular position of the Scottish banks, in that they are primarily agents of the United Kingdom Government, will he comment on the likely implications of his measure for quantitative easing? Would it ease it or make it more difficult?

Mr. Deputy Speaker (Sir Michael Lord): Order. Before the hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell) answers that intervention, it might be helpful to the House if I read out that the purpose of the Bill is to

"Make provision about the acceptability of Scottish banknotes throughout the United Kingdom; and for connected purposes."

David Mundell: Thank you, Mr. Deputy Speaker.

I am sure the Scottish banks will be happy to play their part in quantitative easing.

Mr. Nigel Evans (Ribble Valley) (Con): In my constituency I have noticed complaints from retailers about the number of forged £1 coins that are in circulation. There are millions of them. Whereas in Scotland retailers are used to Scottish banknotes and are therefore able to detect whether they are forged, the appearance of those notes will be rarer south of the border, and will lessen the further south one goes, and the more problematic it will be to detect forgeries. Does my hon. Friend believe that the Bill that he is trying to introduce with the best of intentions might lead to many more forged Scottish notes being circulated round the UK?

David Mundell: I note my hon. Friend's concern. In the course of my speech I will deal in detail with the issues that he raises. Retailers are very much aware of the problem of forged paper notes and regularly use pen devices, for example, which when marked on a note give an indication whether that note is a forgery or not. As I understand it, Bank of England notes, Bank of Scotland notes and other Scots banknotes give the same reaction, so that method operates to identify relatively simply whether a note is a forgery.

The Exchequer Secretary to the Treasury (Angela Eagle): I thank the hon. Gentleman for giving way and, when the time comes, I will congratulate him on getting his Bill before us today. Although the so-called magic pens are useful in some circumstances, they are not useful in all, so they do not give the level of assurance about forgery that some people claim for them.

David Mundell: I note what the Minister says, but I am sure she will accept that the point applies equally to Bank of England notes, which are received in such outlets.

Mr. David Heath (Somerton and Frome) (LD): Can the hon. Gentleman help me with a bit of history? I am very proud of the different histories of the constituent nations of our country and the fact that we have cultural differences and differences of jurisdiction. Is there any country in the world, other than Scotland, where promissory notes are issued by private banks and are in general circulation? I am not aware of one. Does the hon. Gentleman know the answer to that?

David Mundell: I thank the hon. Gentleman for his intervention. I will give a short potted history of the Scottish banknote in due course. In the United Kingdom, obviously, notes are issued from Northern Ireland.

Mr. Christopher Chope (Christchurch) (Con): My hon. Friend's Bill discusses the acceptability of Scottish banknotes throughout the United Kingdom. Does he think that that acceptability would be enhanced if the £150 billion of banknotes being issued by the Government as part of quantitative easing were issued in Scottish banknote form?

David Mundell: That is an interesting proposition, but I am conscious of your earlier comments, Mr. Deputy Speaker.

Before I took those interventions, I was discussing the issue of changing banknotes. At least people who come to outlets in my constituency to change Scottish notes for the Bank of England equivalents do not have the same experience as Mr. Derek MacLachlan of Inverness, whose attempts to make such an exchange at Newcastle airport are highlighted in the Scottish edition of *The Sun* of 7 February 2009. In an article headed "Currency swap blast", Mr. MacLachlan tells of how he was faced with a £3 commission charge when he attempted to change £70 at Travelex; the transaction would have left him with just £67 of non-Scottish currency. As he said:

"It's bad enough that some shops in England don't take the notes, but now it's being treated like a foreign currency. It's...exactly the same as Bank of England money—it just looks different."

I could not agree more with Mr. MacLachlan's analysis, which goes right to the heart of the issue. The financial value of Scottish notes is not different. Indeed, Scottish banknotes are a key part of what passes for the Government's vision for the banking sector; I acknowledge that, through the Banking Act 2009, the Government have removed any remaining doubts about their future. Whatever the legal framework of our currency or the meaning of the expression "legal tender", there is absolutely no reason why Scots notes should be questioned unless there are substantive grounds for believing that they are forgeries.

Mr. Chope: Will my hon. Friend explain why his Bill does not go as far as to say that Scottish banknotes should be legal tender?

David Mundell: I am coming to an interesting resumé of the meaning of "legal tender" and why that does not strike at the heart of the issue. Basically, what concerns my constituents and other people in Scotland is not the legal definition, but the need for their money to be accepted, not questioned, when they are in a retail outlet. As I shall say in due course, the status of legal tender would not necessarily achieve that objective.

The Bill is not designed to force unwilling retailers to take Scottish banknotes or to impose draconian sanctions on anyone who does not. I am very aware of the regulation that business faces already, and I want less regulation, not more. Unnecessary additional burdens are to be avoided. The Bill simply seeks to put Scottish notes on an equal footing with any other banknote that is accepted.

For the benefit of hon. Members, I shall now provide a little background detail on Scottish banknotes. The first Scottish bank to issue notes was the Bank of Scotland, which has done so almost since its foundation in 1695. At that time, coinage from the Scots mint was scarce, and of uncertain value in any case. Most Scots relied on a mixture of English, French, Dutch and Flemish coins. As we would expect, the lack of adequate currency severely restricted the growth of trade.

The new Scottish banknotes were grasped first by the merchants and then by the population at large, as a solution to the problem. The notes' success was such that, in the words of the Committee of Scottish Clearing Bankers, Scotland became one of the first countries to use paper currency from choice. The National Museum of Scotland says that one of the remarkable things about the country is that, from a very early stage, banknotes had a high degree of acceptability. It says that the Scots became known for preferring their paper money to gold, because it was easier to carry around. It was very different here in England, where paper money took longer to gain widespread acceptance.

Scotland's innovative approach to banknotes went further than just being an early adopter. Vast amounts of ingenuity were connected with making them more difficult to forge. After all, the only punishment that Scots law could mete out to forgers was death and tongue amputation, probably not necessarily in that order. The Royal Bank of Scotland pioneered the use of colour in banknotes, with a blue rectangle displaying the words "One guinea" and the King's head shown in red. Yet colour did not come into widespread use until nearly a century later. The Royal Bank was also the first to use notes in three different colours.

The Scottish economy once had to handle a vast array of different designs of banknote. I know that the Minister feels that the current number, 22, is a vast array, but previously there were even more. Nowadays, many of the former note-issuing banks have been absorbed through mergers and acquisitions, and we are left with just the Bank of Scotland, Royal Bank of Scotland and Clydesdale bank. This year's Banking Act ensures that no further banks can join that list. Between them, the three banks issue a core of 16 note designs in denominations of £5, £10, £20, £50 and £100, with the Royal Bank of Scotland still printing a small number of £1 notes. As with the Bank of England, there are also sometimes additional designs in circulation to allow a transition to take place between an old and a new series of notes.

In addition, some notes have images or words added to them to commemorate an event or person of particular importance to Scotland at that time. Although of a manageable number, the core designs give a true overview of the range of pre-eminent Scottish buildings, landscapes and historical figures. The commemorative editions, meanwhile, are a way of uniting the public behind celebrations of what, as a nation, Scots cherish.

Mr. Chope: Does my hon. Friend think that there would be any scope for the Royal Bank of Scotland, now that it is owned by taxpayers, to have that fact included as part of the design of its banknotes?

David Mundell: What an interesting proposition. As far as I am aware—I stand to be corrected—there is no limit on what wording, presumably other than obscenities, can appear on banknotes.

This year, for example, Clydesdale bank has brought out a series of notes that reflect the 2009 year of homecoming, which the Governments in Scotland and here in London support, and the fact that it is 250 years since the birth of Robert Burns. We have seen commemorative notes to celebrate such things as the golden jubilee, the 500th anniversary of the Royal College of Surgeons of Edinburgh, and the contribution of the Royal and Ancient golf club at St. Andrews and Jack Nicklaus to Scotland's all-important golfing heritage. The existence of these various core and commemorative designs of notes within the overarching sterling system is a vivid example of how Scottish culture can flourish within the United Kingdom.

Mark Pritchard (The Wrekin) (Con): On the question of Scottish culture and Scotsmen, does my hon. Friend agree that one innovation that might bring people closer to Government and improve the transparency of Government would be to introduce pictures of serving Prime Ministers on to banknotes, so that whether people have a lot of banknotes or a shortage of banknotes, they focus very firmly on who is in government?

David Mundell: I am not aware of any requirement that an individual appearing on a banknote should be dead or out of office. Indeed, as far as I am aware, Mr. Jack Nicklaus, who appeared on a commemorative note, is very much still alive—although whether he is pleased that his photograph with Sir Fred Goodwin is repeatedly published will be another matter.

All Members will have seen Scottish banknotes, and some will even have used them daily, but few will have considered all the issues that are being aired today. If they have not had cause to ponder them before, they might believe that the deeper significance of Scottish banknotes does not resonate with the public. However, I would tell them that the existence of Scottish banknotes is one of those things that we see before us every day but take for granted. Only when Governments have conspired to do away with them, either through carelessness or small-mindedness, has the attention of the public and the media flashed on to what they stand for. Only then do we realise the historical, cultural and promotional value that the notes have in addition to their monetary value.

For example, this Government hatched proposals that might have done away with Scottish banknotes by making their issue uneconomical for the banks concerned. Those proposals first appeared in a Treasury consultation of July 2005, of which nothing came, and were revived in another consultation in January 2008 as part of the measures proposed for inclusion in what was then the Banking Bill. The Chancellor saw what a public outcry the proposals had provoked, just as Robert Peel's Government had incurred the wrath of Scottish public opinion and of luminaries such as Sir Walter Scott when they threatened Scottish notes more than a century earlier. Like the Peel Administration, this Government were forced into an entirely unexpected U-turn and dropped the threat to Scottish banknotes.

Now the Government have accepted that Scottish notes are here to stay, and indeed enshrined them in the Banking Act 2009. That is the first time that there has been new legislation governing their issue since 1845. I therefore cannot see why the Treasury will not take the

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final step and ensure that the notes work effectively in all day-to-day transactions, in every part of the United Kingdom.

Mr. Chope: Is there any restriction on the number or value of banknotes that the Scottish banks can issue?

David Mundell: I can advise my hon. Friend that, as far as I am aware, £3 billion of Scottish banknotes are currently in circulation. The Exchequer Secretary might have more precise figures, particularly in the light of the leap into quantitative easing.

Angela Eagle: I will not go down that route given your earlier ruling, Mr. Deputy Speaker, but I can confirm that there are currently £3 billion of Scottish notes in circulation. The answer to the hon. Member for Christchurch (Mr. Chope) is that there is no limit. It is for the issuing banks to answer the demand for money through the provision of banknotes.

David Mundell: When I last spoke to the Exchequer Secretary, she asked me whether there had been any quantitative assessment of exactly how widespread the refusal of Scottish banknotes is. I suppose that such an assessment would take the form of a field test of Scottish notes being offered to a large number of traders of different types throughout England, Wales and Northern Ireland—although, as I said earlier, there must not be a television camera in tow if that is to be objective—or a poll of the public's experience of using Scottish notes.

I have no difficulty in relying on my constituents and the Scottish public at large. I refer, of course, to the personal experience of almost everyone in Scotland to whom I have spoken about the Bill. They have all been in a shop or taxi somewhere in England, Wales or Northern Ireland and presented Scottish banknotes, which have been treated suspiciously or refused. The House will appreciate that when a person offers a banknote and it is treated with suspicion, it causes embarrassment, as the person who e-mailed me this morning reminded us, particularly if it is held aloft and the shop manager is summoned.

The House will further understand that when a note is actually refused, there can be considerable inconvenience. Examples are legion, and the consequences can be worse than leaving a shop empty-handed. I have received several letters and e-mails from members of the public who were left unable to pay for takeaway food or for dining in restaurants, or stuck in rural petrol stations, with no means to pay for the fuel with which they had already filled their cars.

Mr. Ben Wallace (Lancaster and Wyre) (Con): Does my hon. Friend agree that the Bill will be especially welcome in the north of England, where I am a Member of Parliament, and where businesses and tradesmen in, for example, Penrith and Carlisle, regularly do business across the border? The measure will help efficiency of trade, which is so vital at this time.

David Mundell: My hon. Friend is right that no cause should be given to any tradesmen or business to feel that they cannot accept a Scots note. The Bill will provide the reassurance that there is no reason for not accepting such a note. I give way to the hon. Member for Thurrock (Andrew Mackinlay).

Andrew Mackinlay (Thurrock) (Lab): I am sorry, I was not trying to intervene—I was just moving.

David Mundell: I thank the hon. Gentleman for his physical gesture of support.

Hon. Members tell me that they have rarely encountered a problem in central London, but that is because Scots notes are used so widely here and it is therefore only to be expected that retailers tend to be more familiar with them. However, in my recent visits to central London retailers and my discussions with taxi drivers, I have been told that, although they accept the notes from customers, other customers are not keen to receive them in their change. That is a variation on my constituency experience of people wanting to change notes before returning to England.

Perhaps one reason for Londoners' greater familiarity with the notes is that certain London-based Scots appear to be much freer spending than the national stereotype suggests. One such individual has spent £1.5 trillion during the recession alone. However, enough of the Chancellor's contribution.

Incidences of Scots notes being refused are a staple of Scottish newspapers. The coverage that the issue gets illustrates the prevalence of the problem and the extent to which the papers' readerships identify with it. I will give hon. Members one of the more colourful examples. An article recounts the plight of a gentleman who visited no fewer than three McDonald's outlets in Wales. He was denied service in every one of those restaurants, merely for seeking to pay with a Scottish note. As the headline writer so eloquently put it, "Burger Off with Your Scottish Banknotes".

Mark Pritchard: Does my hon. Friend agree that that represents a double whammy? Not only is that bad for business in Wales and for McDonald's, but we have the irony that McDonald is a Scottish name.

David Mundell: It is indeed a Scottish name, and that may have led the gentleman in question to believe that he would be on home turf. Many reasons could be given for not trying to purchase a Big Mac or a double whammy Whopper, but the refusal of currency should not be one.

There have been several reports of other large chains, such as WH Smith, introducing arbitrary restrictions on Scottish notes in certain branches. It is therefore mistaken to believe that the problem is confined to small enterprises, which struggle for the time to put in place proper cash handling procedures or to train their staff. In many cases, the shop management has erected signs stating that Scottish notes are not welcome. It is not always a case of junior members of staff exercising caution when suddenly presented with a note that they do not recognise.

There is something deeper to the problem than the immediate embarrassment and inconvenience caused. As the Leader of the Opposition has said, Scots are proud of their banknotes. It is hard to think of a clearer demonstration of disrespect than treating such notes as if they had come out of a Monopoly box. Despite what

the Scottish National party—[Hon. Members: "Where are they?"] Indeed. Despite what the SNP might try to convince this House of, there are few genuine grievances in Scotland about the Union with England. However, the refusal of Scottish banknotes is one such niggle. In ending that practice, my Bill would contribute, albeit modestly, to strengthening the Union. I am sure that all hon. Members present in the Chamber would regard that as a most welcome by-product of such a Bill.

Mr. Chope: My hon. Friend is making a fascinating speech. What is his estimate of the number of Bank of England notes in circulation in Scotland?

David Mundell: I am afraid that I am not in a position to give my hon. Friend that information, although the Minister may have it to hand. Given the entrepreneurial spirit of the Scots, a Bank of England note is never refused unless there is a genuine reason to suspect forgery. We are always willing to receive the currency of those who wish to trade with us.

Having set out the problem, let me turn in detail to my solution. Legislation could be a catalyst for changes in behaviour. At the heart of the Bill is the concept that Scottish and Bank of England notes are of equal standing and that there is therefore no risk to a business or individual in accepting such a note if they are happy to accept others. If that view became commonplace across the United Kingdom, the issue would be resolved. The Bill would place a UK-wide requirement on providers of goods and services to accept Scottish banknotes if other notes are accepted. I was attracted to that format not only because it would avoid the technical difficulties of giving Scottish banknotes the status of legal tender, but because it would be likely to have much greater practical effect. What matters is being able to use the notes without challenge.

It is surprising to many, as it was to me, to learn that legal tender has no real relevance in day-to-day transactions in shops or with other providers of goods and services. I can advise my hon. Friend the Member for Christchurch (Mr. Chope) that the Royal Mint helpfully explains "legal tender" as follows:

> "Legal tender has a very narrow and technical meaning in the settlement of debts. It means that a debtor cannot successfully be sued for non-payment if he pays into court in legal tender. It does not mean that any ordinary transaction has to take place in legal tender or only within the amount denominated by the legislation. Both parties are free...to accept any form of payment whether legal tender or otherwise according to their wishes."

The position is made even clearer when one realises that paying with more than the "right money", as it might be characterised, is contrary to the rules of legal tender, even if one does not expect any change.

Furthermore, no banknotes whatever are legal tender in Scotland, yet that fact has no adverse effect on the acceptance of Scottish notes, as I have explained, or Bank of England notes. Bank of England notes are legal tender only in England and Wales, yet they are accepted in Scotland with alacrity, because retailers and other businesses in Scotland know what they are and what they are worth. I want to achieve the same for Scottish notes in England. For the sake of completeness, I should also clarify that Scottish banknotes are not legal tender anywhere outside Scotland either. Indeed, although they are allowed to circulate freely in other parts of the United Kingdom, they cannot be disbursed by any bank outside Scotland. The Clydesdale bank, the Bank of Scotland and the Royal Bank of Scotland cannot issue their own notes from their branches in London or elsewhere in England and Wales.

Even if we accept that changing the definition of legal tender would have less practical effect than what I propose in my Bill, it is not the only argument against doing so. The definition that I have read out clearly implies that, for any symbolic effect that giving Scottish banknotes legal tender status would have, in terms of their acceptance, there would be far greater unintended consequences, which would strike at the processes for resolving disputes between debtors and creditors. I should say, however, that some people feel that this area of law would benefit from some reform, but that is a debate for another day. Before leaving this issue, I want to point out that the Law Society of Scotland argues that additional safeguards given to holders of Scottish banknotes in the Banking Act 2009 warrant the notes being granted the status of legal tender, but that is simply the society's view.

Angela Eagle: The hon. Gentleman has quite rightly taken the House through the narrow definition of legal tender, and he has come to the right conclusion about why that is not the answer to the problem that he seeks to solve. Does he also agree that many goods are paid for in non-legal tender—including debit cards, credit cards, PayPal and travellers cheques—as a matter of routine with no problems of acceptance? Clearly, the area of legal tender is not the place to look for a solution to the problem that he has outlined.

David Mundell: On this occasion, I am in complete agreement with the Minister. "Legal tender" is a phrase that is often bandied about in the press or in discussion, but its meaning is quite different from what people think it is. They think that, if a note or piece of currency is legal tender, there is an obligation to accept it, but that is simply not the case. Many businesses decline to take notes of a certain size or certain cards; they can also decline to take cheques.

The Bill will require all providers of goods and services in the United Kingdom that accept Bank of England notes to accept Scottish banknotes on an equal basis. I believe that that clear, simple requirement would do all that those wishing to make purchases with Scottish notes want it to do. However, it would not do any more than that. In framing the Bill, I have been careful not to make unreasonable demands on any vendor. The way in which the requirement is worded would not, for example, require sellers who currently accept only cheques and card payments to start handling cash, even when presented with a Scottish banknote. Similarly, I recognise that some sellers consider changing a £50 Bank of England note too much of an inconvenience, and they would not be required to accept large-denomination Scottish notes either.

As I have said, I am aware of the regulatory difficulties that small businesses, in particular, face. I appreciate that the current recession is putting extra pressure on those businesses. I have therefore been careful not to open the door to disproportionate sanctions such as court action. Instead, I have chosen to give the Office of Fair Trading the power to investigate complaints of non-compliance with the requirement to accept Scottish

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notes. The OFT may investigate complaints as it considers necessary, and notify a business of its obligations. If the OFT finds that a vendor has breached the requirement to accept Scottish banknotes more than twice in one year, it has the option to require the business to display notices about the availability of banknotes. These notice-giving provisions have precedent in section 38 of the Consumer Credit Act 2006 and section 33A of the Consumer Credit Act 1974.

These provisions reflect two things. The first is my belief that any regulation should be as minimal as possible. The second is my belief that the vast majority of those sellers who mistreat Scottish banknotes are doing so not through bloody-mindedness but simply through ignorance. Having legislation that makes it clear that Scottish banknotes are equally valid—and of equal value—and ought to be accepted will do much to ensure that sellers accept the notes. Threatening them with draconian penalties is unnecessary.

The House will also see that my Bill allows the suspicion that a note is a forgery to be used as a defence. However, that must be a reasonable suspicion. With the right awareness training, I do not believe that it is unfair to expect sellers outside Scotland to make their staff familiar with the existence of Scottish banknotes.

Angela Eagle: Will the hon. Gentleman explain—this seems a reasonable juncture to explore it further—what he means by "reasonable suspicion" in this case?

David Mundell: I would say that a reasonable suspicion would be that the note failed the pen test I mentioned earlier or that it did not appear to be substantially as depicted on the excellent poster and handout of the Committee of Scottish Clearing Bankers, which shows the design and security features of all current Scottish banknotes.

Mr. Heath: Is the hon. Gentleman suggesting that in my constituency in deepest Somerset, where I have to say we see very few Scottish banknotes, every retail outlet would have to put up a poster showing the design of the 22 different Scottish banknotes for the benefit of the odd passing Scottish tourist?

David Mundell: Indeed not, but I am sure that Scottish tourists would be encouraged to visit the hon. Gentleman's constituency more often if they felt that they would be able to use their banknotes without having them unduly scrutinised. It is a relatively simple process to access the guide on banknotes. It can be done easily on the internet and it is readily available. I find it difficult to understand, particularly in these difficult times, why any retailer would not want to accept all the currencies being offered or would not want to take steps to ensure that people working in their premises knew which currencies should or should not be accepted. The hon. Gentleman will have heard my earlier point that, surprisingly, some of the most unsatisfactory examples of non-acceptance have not come from the small retail sector that he refers to, but in large chain stores or takeaway outlets. In my view, they have absolutely no excuse in that regard.

I hope that the Minister will refer in her summing up to the excellent poster and information guide produced by the Scottish clearing banks; they worked extremely hard to give people the level of detail necessary to identify whether a note is valid and to provide a potted history of the figures or buildings that appear on the notes. I refer hon. Members to the Committee of Scottish Clearing Bankers website.

I do not accept that lack of familiarity with a Scottish banknote is a proper basis for deeming such a note to be a forgery. Many Members will have seen the detector pens in use. They are common, as many businesses routinely use them, and they are perfectly reliable. There is no great expense involved in making a simple check before venturing any suggestion of forgery to the person proffering a note.

I hope that I have provided a summary both of the historical aspects of the Scottish banknote and of the current position and the genuine need to address this issue. The Leader of the Opposition said in Glasgow in September 2006:

> "Scottish banknotes are every bit as good as those issued by the Bank of England. That's something everyone working in shops or other parts of the service economy anywhere in the UK should know. Yet Scots often have to endure the indignity of having their money examined by suspicious staff south of the border as if it's come straight out of a Monopoly box. Some Scottish fivers and tenners are simply refused. Of course, it's not the end of the world, but it's hard to think of a clearer demonstration of disrespect."

He is right. It is time to put an end to this practice, so I commend the Bill to the House.

1.25 pm

Andrew Mackinlay (Thurrock) (Lab): You saw me jump up like a sprung coil, Mr. Deputy Speaker. That is because I feel so strongly about the Bill. I support it because, while it has naturally prompted a degree of levity, it deals with a serious issue which, unless addressed with some dispatch by the House, will become a growing problem. But I believe that this issue can be addressed to the satisfaction of every player, reflecting nationhood in relation to the four constituent parts of the United Kingdom. I believe that the Bill can provide security for retailers in particular, while also avoiding embarrassment for the holders of certain banknotes.

I am angry with myself for two reasons: the hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell), whom I congratulate, has beaten me to it by introducing the Bill; and, had I introduced a comparable Bill, its provisions would have been less narrow. They would not have been confined to Scots banknotes, for reasons that I will share with the House in a few moments.

My interest in the issue relates to one of my earliest memories. When I was a very small child living in Wembley, my grandmother, Catharine, would come down from Scotland. She was a formidable lady, and I am proud to have her genes in me. It could even be said—and I say it in the nicest possible way—that she was quite a cussed woman. On one occasion she produced Scottish banknotes during her journey down to Wembley, only to experience precisely the confrontation that the hon. Gentleman has described, a confrontation that still occurs today.

Angela Eagle: Will my hon. Friend give way?

Andrew Mackinlay: I want to complete this tale, because it is rather important.

My grandmother faced the indignity of eventually finding someone who offered her 19 shillings for the banknote. She wasn't having that. I recall that the note had a picture of Good King Billy on it. Now, my grandmother really was not one of king Billy's brethren, if you get my drift. She was amused, subsequently, by the fact that she had stood up for King Billy—William III—in telling the person who did not want to take the note that this was her king and his king, and that it really was outrageous. That story has remained with me for all this time, but it has also been an irritant over my nearly 60 years of life. Now I will give way to the Minister.

Angela Eagle: I thank my hon. Friend. I wonder whether he will tell us which of the genes of that redoubtable woman have survived in him? We could probably guess at a few of them.

Andrew Mackinlay: One of the things that I learned from my grandmother was always to probe and question. Another was that if I saw a door with "Do Not Enter" written on it, I should open it and go through.

This is a continuing problem, and as I said, it is a growing problem. In the old days, there was much less travel than today. Nowadays, for reasons of business and commerce, people commute between Glasgow and London and Edinburgh and London, and between other parts of the United Kingdom. Earlier today the House discussed the problems of small business. This is a problem for small businesses, which are caused a degree of anxiety because although they may know of the existence of other notes circulating in the United Kingdom, they have to give change to people. The hon. Gentleman gave the example of taxi drivers.

I invite the House to try to be a bit less London-centric. The time will come when someone will indeed turn up in Somerset with one of these banknotes. I sympathise both with the person who has the banknote and with the shopkeeper, who really could do without it, and who will have to put the note aside to be taken to the bank rather than given in change. In such circumstances there is embarrassment and irritation— embarrassment for the person who produces the note, which is probably all that he or she has, and has to try to convince the retailer that it is good money with value, and irritation for the retailer.

There is another issue, of which I have been particularly conscious in the past three or four years. A lot of people currently employed in the retail sector come from other parts of the European Union, and they are desperately anxious not to accept a note that is peculiar and bewildering to them, and on which they have not been briefed—so I fully endorse what the hon. Member for Dumfriesshire, Clydesdale and Tweeddale said about awareness briefing. Such situations can be avoided, as I will illustrate later, but they cause anxiety for employees from overseas—particularly those who work in restaurants and petrol stations—and, of course, for the person offering the note in payment.

I have tackled colleagues on this matter who say, "Well, I have no problem in London." I am surprised they say that, because we can have such problems in London. I accept that trips only between a London airport and Westminster can be easy and without problems, but these difficulties are far more acute out in the suburbs and in other parts of England.

My wife and I spend a lot of our recreation time, when we get it, in County Down in Northern Ireland, where Scottish banknotes circulate extensively and people know about them. There is, I suppose, a cultural reason for that, relating to the close proximity to Scotland. The situation is worse in Northern Ireland, however, which is why if this Bill progresses, I would wish to amend it to include Northern Ireland. Northern Ireland's population is, I think, 1.7 million, and Bank of Ireland notes circulate there, along with the notes of Ulster bank, First Trust bank, Allied Irish bank and the Northern bank—Members will recall the Northern bank robbery, which involved Northern banknotes. When I visit Northern Ireland, therefore, I often have the full range of both the Scottish and the Northern Irish banknotes, and when I return to London I invariably find that I do not have a Bank of England note. The first thing I do is go somewhere where the other notes are accepted, such as the Members' Tea Room, where I ask our good friends, who service us well, if they will change them, or the Members' post office. If I have returned directly to my constituency, I use them at the Dartford toll, where the people are fully briefed about their existence. I need to change them into either coins or Bank of England notes, because this is a real problem. There are also a lot of machines into which banknotes can be fed, and the parking machine at the shopping centre in Bangor in Northern Ireland does not take Bank of England notes. We therefore need standardisation of both acceptability and technology.

I was also interested to hear the hon. Gentleman give the history of this matter. So far as I recall, the widespread use of Bank of England notes is a relatively recent development, dating back to the time of George V. It was therefore interesting to learn that Scotland developed the culture of using paper notes first. It is dancing on the head of a pin to talk about finer points, such as whether they are tender or promissory notes or whatever; we know what we are talking about. Banknotes have a much longer history in Scotland, and Bank of England notes feature more recently in our history.

It is also important to recognise that the banknotes that circulate in the United Kingdom—this applies to all the Scots and Northern Ireland notes—are a revenue earner for both the issuing banks and, to an extent, the local economies, because there is a considerable number of collectors worldwide. We made a similar discovery when Tony Benn broke the mould with regard to stamps, saying that we must have many more issues of postage stamps, even though the Post Office was very conservative on the matter. The banks that issue notes make money by varying the designs from time to time, as there are very enthusiastic banknote collectors worldwide. That is very nice, and it creates awareness of some of the constituent parts of the UK, as well as being a revenue earner for the banks and for Scotland and Northern Ireland. That should be encouraged.

What is the answer? I am not sure that we need to go to the lengths outlined by the hon. Member for Dumfriesshire, Clydesdale and Tweeddale, but I have a suggestion that would, at least, be complementary. I cannot see why the banks that circulate in the United

[Andrew Mackinlay]

Kingdom, by which I mean the Bank of England—I include it even though I realise that, as a central bank, it has a different status—the Scots banks and the Northern Ireland banks, could not have all their different designs on one side of a standard-size note, which could be variable. That would be good, and the name of the bank could be included. The certification—the promise that is explicit or implied by the note—could be standard and could be on the other side of the note. That would overcome the problem of forgeries, although not totally. However, in that regard we should remember that, from time to time, we have been inconvenienced by having forged Bank of England bank notes in our pockets.

So on one side of the note would be a standard format indicating that it is a note of use in the United Kingdom—the certification, signed by the chief cashier, and so on—and on the other would be Clydesdale, Royal Bank of Scotland, Bank of Scotland, Ulster bank, Northern bank, First Trust bank, Allied Irish bank and so on. The designs could vary from time to time. It is not rocket science. Of course, the euro coinage has a standard side and a variant relating to the various nations. The coins circulate throughout the EU. Never mind what the Minister's brief says—I urge her to say that she will take this thought away.

I do understand the sensitivities associated with this issue. The notes with the biggest circulation in the United Kingdom are, for example, Bank of England notes. Some people are London-centric on this issue, but we are talking about the United Kingdom of Great Britain and Northern Ireland: there are four constituent parts. That is not a nationalist, jingoistic point—it is a matter of fact. Just as an aside, you have probably heard me get irritated on other occasions, Mr. Deputy Speaker, by the name Sport England. It should be "Sport UK", because we are talking about the United Kingdom of Great Britain and Northern Ireland. Let us rejoice in the fact that this is a political, constitutional entity that has at least four constituent parts, three of which have bank notes that identify with England, Scotland and Northern Ireland respectively, and turn it to our advantage.

Indeed, there is tantalising incentive for the Minister. The new bank note could be named after her.

Angela Eagle: An Eagle?

Andrew Mackinlay: An Eagle—or it could be a Mundell, or a Mundell-Mackinlay, note.

However, it is certainly time that this issue was addressed, and it would be very healthy if such an idea were taken on board. The awareness issue is important, but we can overcome that if we know that there is a common side reflecting the variants of the United Kingdom, and the names of the various issuing banks on the other side.

I commend and support the Bill, and I hope that the Minister will indicate that the Government will reflect on the issues raised by the hon. Gentleman, myself and others.

1.39 pm

Mr. David Heath (Somerton and Frome) (LD): It is a pleasure to follow the hon. Member for Thurrock (Andrew Mackinlay). His suggestion at the end, which I shall come back to—the standardisation of Scottish bank notes with Bank of England and Northern Ireland notes—might, I think, invoke cries of fury north of the border. However, it has a lot to commend it.

I congratulate the hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell) on having the opportunity to introduce his Bill, and on doing so today very lucidly. The intense interest that he suggests supports his Bill north of the border and in the Scottish press is scarcely reflected in the attendance here today by Members of Parliament representing Scottish constituencies, of whom there is not a single one, other than him.

David Mundell: May I advise the hon. Gentleman that, although it is not an event that I would wish to attend, the Scottish Labour party conference is under way in Dundee and in only a few moments' time the Prime Minister is to address that august gathering?

Mr. Heath: I am grateful for that intervention, and that is a reasonable excuse. I say that because none of my Scottish colleagues is here for a similar reason—it is the Liberal Democrats spring conference in Harrogate this weekend. The hon. Gentleman gives a perfectly fair response to what I had to say.

I hope that I have always been a very strong advocate of the cultural differences that exist within this United Kingdom—I cherish those cultural and historical differences. I have always been at pains to point out the differences in the Scottish jurisdiction, particularly when I have been plying my trade in home affairs and justice over recent years and ensuring that the Government were aware that what applies in the English jurisdiction may not apply in the same way as, and may be completely different from, what applies in the Scottish jurisdiction or, indeed, in the Northern Irish jurisdiction. I am certainly not the sort of London-centred, English imperialist who suggests that everything should be the same; I do not believe that it should.

The existence of Scottish banknotes and the Scottish issuing banks is a historical anomaly in the context of a single United Kingdom, but it is an interesting one that we should not deprecate. It is a fact and it is very unusual. I intervened on the hon. Gentleman to ask whether he could name another country—jurisdiction is not the term I am seeking; I am trying to think of the appropriate word—within which there are nations, that has such a differentiation. I think I am right in saying that apart from Scotland and Northern Ireland, Hong Kong is the only other place where a private bank, rather than a central bank, issues banknotes for general circulation. The position is extremely unusual.

I fully understand the irritation that there must be for people who use these banknotes daily and expect them to be currency across the United Kingdom but find when they come to England or Wales that they have difficulty using them. We should reduce that irritation as far as possible and try to find ways to ensure that such difficulty is not encountered, but it can sometimes be overplayed. I listened carefully to the story that the hon. Member for Dumfriesshire, Clydesdale and Tweeddale told about Mr. MacLachlan of Inverness and his experiences with the Newcastle Travelex. Travelex is a commercial company, not a clearing bank, so why should

it provide a service completely free of charge? What possible interest would it have in changing Scottish banknotes for English banknotes without charging any sort of commission? Why should it perform that service? That is a reasonable question to ask.

David Mundell: I understand why a commission would be charged for changing one currency into another, but this is the same currency; both these banknotes are sterling, so there should be no charge. Reference has been made to the time when 19s 6d was given for a Scottish note. It is entirely unacceptable that within one currency a different amount from what was handed over should be given back. I do not accept at all the argument being made.

Mr. Heath: I am surprised to hear that, because as I said, the company is not a clearing bank and it has no responsibility in this respect; it is providing a commercial service. It seems to me that it can charge what it likes and if the purchaser does not wish to pay for the service, he must go to bank that will provide it.

David Mundell: Is the hon. Gentleman suggesting that some form of commission or levy should be deducted when people come into businesses in my constituency en route back to England and ask for Scots notes to be changed into English notes because they are concerned about taking Scots notes back to England? As I explained in my speech, such requests have become common because people are worried about possible difficulties. The retailers do not charge a commission, and I am sure that the hon. Gentleman is not suggesting that they should do so.

Mr. Heath: I am glad that those retailers change the notes, and I do not want to be misinterpreted on this point. Travelex's only purpose is to change notes, and the hon. Gentleman's Bill would require it to change notes—albeit of the same denomination—for nothing, and I am not surprised that it politely declines that opportunity, especially in an airport, where it no doubt has other customers to serve. He may deplore that, and I might wish that things were otherwise, but I do not think that a commercial company can be blamed for charging for a service that it provides. That is the essence of a capitalist society.

Mr. Greg Hands (Hammersmith and Fulham) (Con): I hate to labour the point, but surely there is a difference. Travelex charges a commission on foreign exchanges because of the risk of holding foreign currency. Changing Scottish notes carries no risk, so Travelex should reconsider its policy on that matter.

Mr. Heath: The hon. Gentleman makes a sound argument, which he should put to Travelex. The question is whether the charge is reasonable in all the circumstances, but that is a matter for Travelex. It is a commercial company providing a service, and that is the only point I am making. It has no statutory duty to do so, and it can decide whether to charge for it. The hon. Member for Dumfriesshire, Clydesdale and Tweeddale said that some companies provide the service for free, and I applaud them for their public-spiritedness. It would be good if others followed suit.

I do not want to make it difficult for Scottish notes to be used in England and Wales, because there has been a welcome shift in recent years—or so I understand from talking to Scottish colleagues—especially in London and other major centres. Scottish notes are now more readily accepted. I suspect that the same is true along the border, although I have no evidence for that and my constituency is nowhere near that area. However, I suspect that Scottish bank notes are much more widely acceptable in retail premises south of the border than previously. That should be encouraged. But, and it is a big but, it is a big jump from there to introducing a requirement—I accept that it would be a mild requirement, without draconian measures—that every retail establishment in the whole of the United Kingdom should be happy to accept Scottish notes, in all circumstances, if they are prepared to accept English notes. That has implications for many small businesses in my part of the world, where Scottish notes are very rare.

The hon. Member for Thurrock made an important point, although I did not agree with everything that he said. If Scottish banks are to issue notes, I think—this is a personal opinion—that it is regrettable that they have decided to do so in this commemorative, almost didactic, form. The patterns are designed to promote Scotland or the bank in question, but the variation could cause confusion.

If we were having a debate about a proposal that the Bank of England should no longer produce five patterns for notes but 27, hon. Members on both sides of the House would say, "Don't be ridiculous—that is a recipe for chaos. Why on earth should we expect businesses suddenly to recognise 27 different patterns on notes in circulation across England, Wales, Scotland and Northern Ireland?" If one added the five Northern Ireland banks and their range of notes, there would be a huge proliferation of patterns on notes in common circulation, making it almost impossible for someone who is not familiar with them to recognise what was a valid note and what was not.

Angela Eagle: The hon. Gentleman has made a perfectly understandable point about confusion and the proliferation of different sorts of notes. As for the figures, there are 22 different Scottish banknotes, and 17 different Northern Ireland banknotes, not counting commemorative editions which, in some cases, can be circulated. That is the number of different notes that we are talking about in this context.

Mr. Heath: I am grateful to the hon. Lady. To return to the point I was making, when people are familiar with the notes on a daily basis, the notes do not pose a problem. In Scotland, people dealing with Scottish notes would have no problem recognising those that are in common circulation, even if, rather than the Queen of the United Kingdom, they showed the golfer Jack Nicklaus instead. Some people might expect that to be a joke, but it is not—it is a serious proposal that has been thought up in Scotland to celebrate its national sport and the pre-eminence of golf in Scotland. Nevertheless, if I were sitting in a little shop in Kingsbury Episcopi—I cannot do so, because it has closed down—I would not recognise a note featuring Jack Nicklaus as a familiar banknote, so I would have grave doubts. I would hold such a note up to the light and take a look at it, thus

[Mr. Heath]

causing the offence about which the hon. Member for Dumfriesshire, Clydesdale and Tweeddale is concerned, as it would not immediately tell me that it was a proper promissory note from a clearing bank of the United Kingdom. I would take great care before accepting such a note.

I would not be equipped with the helpful poster issued by the Scottish clearing bank, and while a queue built up, and the next person waited to buy a pint of milk, I would not have easy access to the internet, to check whether it was right. I would be in some difficulty if I was serving in that shop. That is what concerns me, which is why—I certainly do not intend to oppose the Bill—the implications of the measure require careful consideration in Committee. The hon. Member for Thurrock has suggested a solution that would require a great deal of co-operation between the various note-issuing authorities across the UK to come up with a form of commonality. In the long run, if it were acceptable to the Scottish clearing banks, the people of Scotland, the Northern Irish Banks and the people of Northern Ireland, it would be an excellent idea to find some commonality and recognise that a note was a UK banknote that reflected the nations of the UK as well. That would be splendid.

Andrew Mackinlay: Yes, it should have a common side, like the euro.

Mr. Heath: As the hon. Gentleman correctly says, it reflects what already happens with the euro coinage—not the notes. When the euro was being designed, no one suggested that each country should issue its own notes, or that in each country, the €5 note should have a different pattern reflecting the different EU nations that are part of the eurozone. No one would suggest that that was a sensible way of doing business in Europe, and I have my doubts as to whether it is a sensible way of doing business in this country, either.

There are details of the Bill that I am not entirely happy with. It is light on definition. I would have expected at least a clause on definition so that we know what we are talking about. I hope the hon. Member for Dumfriesshire, Clydesdale and Tweeddale will not consider this unnecessarily derogatory, but in some ways the Bill reads more like an early-day motion than a law governing the currency of this country. It does not have sufficient precision in its drafting to be an adequate Act, but I accept that that can be dealt with in Committee. Cross-references to the Banking Bill are needed, apart from anything else.

David Mundell: Indeed. The point that the hon. Gentleman makes is to some extent valid. I sought to keep the Bill as open for discussion as I could. The subject of Northern Ireland notes does not come within the title. I am hoping for a positive response from the Government, with the benefit of their vast resource of draftsmen to assist in taking the Bill forward so that it does not create other difficulties in what we have already identified as a very complicated area.

Mr. Heath: It is indeed a complicated area. The hon. Gentleman has made a valid point that must be of interest to his constituents and to many other Scottish people who find themselves south of the border with their pockets full of Scottish banknotes issued by banks that we, as English taxpayers, so carefully support. I understand that the issue is important to him. I am simply saying that the Bill is not yet in its final form. It will need careful consideration in Committee. Most importantly, we need to hear what the Minister has to say about it. She may well have more fundamental criticisms, which I shall be interested to hear.

1.57 pm

Mark Pritchard (The Wrekin) (Con): I shall be brief, as we want to hear from those on the Front Benches and give my hon. Friend the Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell) an opportunity to reply, and I believe there is other business.

I congratulate my hon. Friend on introducing the Bill and on a sterling speech. He is right that businesses should not make a distinction between Scottish and other banknotes issued in the United Kingdom. There has, as we know, been much issuing of banknotes, including Scottish banknotes, over recent days. In this week of aggressive easing, it would be very odd if the Government stood in the way of making it easier for businesses to transact business in Scottish notes. Ministers should end the short-changing of and discrimination against the fine people of Scotland, Scottish businesses and Scottish banknotes.

The hon. Member for Thurrock (Andrew Mackinlay) mentioned doors in a story about his late grandmother, Catharine. Too many Scottish people have for too long faced doors that say, "Do not enter," and the Bill will open those doors. With the Prime Minister—who is, of course, Prime Minister of Scotland as well—this week issuing a licence to print up to £150 billion of money, much of it in Scottish banknotes, the United Kingdom is entering uncharted waters. That is troubling in itself, but perhaps more troubling because the captain on the bridge of the ship is the Prime Minister—Captain Desperado on the bridge, while the country faces the worst money supply and conditions since the 1930s.

I hope that the Prime Minister will keep one of those £50 Scottish notes that he is printing, especially the Clydesdale bank £50 note, which features the great Scottish economist Adam Smith. The problem at the moment is not so much to do with the production of goods and services as with people's having access to credit to purchase them, but as we reflect on that note, we realise that cash is king. It is cash and liquidity in businesses both sides of the border that will help us out of the current economic difficulties.

One of the great banknote mysteries of our age is why Adam Smith appears on the £50 note in Scotland but on the £20 note in the rest of the United Kingdom; I do not know whether that is a reflection of the expensive tastes of the Scottish First Minister. The Scottish National party is notable by its absence here today, irrespective of conferences. This is an important issue for Scotland and I am glad that my hon. Friend the Member for Dumfriesshire, Clydesdale and Tweeddale has taken time on his busy Friday to make the effort to bring in this Bill.

David Mundell: My hon. Friend might be interested to note that although the First Minister of Scotland says that he shares the view that Scottish notes should

be accepted in the rest of the United Kingdom, he is firmly of the view that they should not be accepted in Scotland; he is keen to see the introduction of the euro.

Mark Pritchard: Well, the euro is doing pretty well, isn't it? Perhaps that remark should be followed by an exclamation mark in brackets. I think that introducing the euro would be an error for Scotland and for the United Kingdom as a whole, and I am saddened that the SNP has taken a narrow view and that, rather than trying to help struggling businesses in Scotland—and, indeed, the whole of the country—it is at odds with the stream of public opinion, which is manifest in the many letters to which my hon. Friend referred.

What happens if the quantitative easing, which will include Scottish banknotes, does not work? What if that new supply of money does not improve growth and increase output? It is vital that banks should lend their banknotes, including the new ones about which we have heard today and Scottish banknotes. Whatever the banknotes involved, whether they are printed in Scotland or elsewhere, banks need to lend them. That applies especially now, given that the Prime Minister himself has become the chief cashier. The banknotes that are being printed, including the Scottish ones, need to go into the economy and must not be held back for the future bad debts of banks. Banks should be givers, not just takers, of banknotes, including Scottish banknotes.

I welcome the Bill, which I hope will help businesses on both sides of the border and improve and increase transactions. I hope that it will help provide the liquidity that this nation so needs at the moment.

2.2 pm

Mr. Greg Hands (Hammersmith and Fulham) (Con): I congratulate my hon. Friend the Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell) and shadow Secretary of State for Scotland on introducing the Bill and making an extremely powerful speech in its favour. I should declare an interest: I am half Scottish and half English. My mother is from Edinburgh, so my family has some experience of travelling between the two great countries and seeing first hand the frustrations discussed today about the acceptance of banknotes.

My late Scottish grandfather was called William Brown. In fact, Gordon Brown—although, thankfully, not the one who is Prime Minister—is my cousin. The last time I checked, my cousin Gordon Brown was an electrician living in Edinburgh. However, there is the tantalising possibility that I am related to the Prime Minister. That really would be a turn up for the books.

Curiously, the right hon. Member for Kirkcaldy and Cowdenbeath (Mr. Brown) and Prime Minister has, in 12 years in charge of the Treasury, in fact or in practice, done nothing to solve the problems outlined so eloquently by my hon. Friend. These days, the Prime Minister seems desperate to downplay his Scottish background, so it came as no surprise to see the Government's efforts during the recent Banking Bill to jeopardise the future of Scottish and Northern Irish banknotes.

I have seen first hand widespread misconceptions about English and Scottish banknotes, sometimes in the most unlikely of places. In 2001, I was in Baku in Azerbaijan, and was surprised to see an exchange bureau quoting separate exchange rates for Scottish pounds and English pounds. Not only were Scottish pounds accepted there, but perhaps because of the large number of Scottish oilmen in the city one received a better rate for "Shotland funtu" than for "Angliya funtu". It seems strange that notes that are readily accepted in Baku, some 2,500 miles away from Edinburgh, should not be accepted in London, only 332 miles away and in the same country.

The Opposition welcome the Bill, and I again congratulate my hon. Friend on introducing it. That action alone has already done much to raise awareness of the issues surrounding Scottish banknotes. He spoke eloquently for his borders constituents and for all Scotland in his defence of the Bill. He spoke of the difficulties faced and the wounds to national pride sometimes involved, and said that almost everybody from Scotland was affected.

I want to return to my hon. Friend's example of Mr. Derek MacLachlan at Newcastle airport, who was asked to pay a charge of £3 for converting Scottish pounds into English pounds. It struck me that that individual was being punished twice for having come from Scotland: first, he had no confidence that his Scottish pounds would be accepted in Newcastle, which presumably explains why he went to the Travelex office in the first place; and secondly, a foreign exchange bureau, which normally, and perhaps rightly, charges commission on the basis of the risk of holding foreign banknotes, attempted to charge him commission.

My hon. Friend outlined the proud history of Scottish banknotes. He mentioned the risk in ancient times of losing one's tongue, which probably struck fear into various hon. Members in this Chamber. He referred to the importance of the notes in building Scottish identity and the flourishing of Scottish culture, citing the example of the 250th anniversary of the birth of Robert Burns and other details. He also mentioned some alarming signs, including one saying that Scottish banknotes were not accepted. Most importantly, he outlined how his Bill would strengthen the Union on the grounds of equality between the two banknotes.

The hon. Member for Thurrock (Andrew Mackinlay) spoke with great knowledge, including personal experience from his family past. He also raised the interesting case of Northern Ireland. We, too, would want that to be considered in more detail in Committee. He raised the interesting possibility that this proposal might excite interest from banknote collectors and be a potential revenue earner. We agree with that. I will come to the issue of tourism in due course.

I was a little confused by the speech of the hon. Member for Somerton and Frome (Mr. Heath). He said that he was not opposed to the Bill, but appeared to be extremely sceptical about its contents. He seemed to say that it is perfectly reasonable for Scottish banknotes to be rejected in England.

Perhaps the most interesting speech was the one that was not made. My hon. Friend the Member for The Wrekin (Mark Pritchard) pointed to the absence of any Scottish National party Member. We heard about the Scottish Labour and Scottish Lib Dem conferences that are going on this weekend, but if there is some kind of SNP conference, nobody seems to be aware of it.

South of the border, many people are a little perplexed, or sometimes pretend to be, when they come across these banknotes. It is about time that their acceptability

[Mr. Greg Hands]

in shops, pubs and restaurants was given some legal recognition, because there is no reason for people in England and Wales to have any doubt about them. Besides adding a welcome dash of variety, Scottish notes are backed pound for pound by assets held at the Bank of England. Those assets are held in the form of special notes known as Giants and Titans, each worth £1 million and £100 million respectively. The average shopkeeper might be rather more suspicious of one of those notes than any Scottish note, but it seems that the Bank of England is fortunate enough to be able to print money whenever it wants to do so—rather a lot of it at the moment, with this so-called quantitative easing.

I believe that suspicion about Scottish notes owes more to unfamiliarity than to anything else. I suppose that it could be argued that some smaller outlets would find it harder to spot fakes if they were made to accept Scottish notes. However, that argument shows a lack of willing. Clear images of every banknote design can be found on the website of the Committee of Scottish Clearing Bankers, which even sports banknote tutorials to train staff on how to pick out any forged notes. Unfamiliarity can relatively easily be overcome, and it should be.

As my hon. Friend the shadow Secretary of State for Scotland noted, all good Unionists should support these measures. No one in Scotland, or anywhere else, should be left to feel that their banknotes are somehow second-rate or inferior. Notes can surely operate side by side in the same way as the constituent parts of the UK. The Bill is important also for UK tourism. We need more people to visit both Scotland and England, and it would surely help to remove any doubts that they might have about banknotes. The great variety of notes in the UK also boosts interest in visiting all its constituent parts.

The Bill's provisions would not be overly draconian or burdensome on businesses if they were sensibly enforced, which I believe they would be. Under the criteria set out in clause 2, at first a business will simply receive a letter after three reports of refusal. It will face investigation only if it displays a persistent pattern of behaviour, and rather than take it to court, the Office of Fair Trading will take sensible enforcement measures such as requiring it to display a notice for the benefit of customers.

Legitimate concerns about forgery are also addressed in my hon. Friend's Bill. As I said, it is fairly straightforward for anyone to clarify whether a note is genuine. Under clause 3, a business would still be able to refuse any note that it had reasonable grounds to suspect. The Opposition warmly welcome the Bill. We believe that it could be further improved in Committee, and we hope that it receives the further parliamentary consideration that it so much deserves.

2.12 pm

The Exchequer Secretary to the Treasury (Angela Eagle): We have had a fascinating debate about a vibrant and lively part of our monetary culture, of which we are all proud. I congratulate the hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell) on his selection in the ballot—which I have never managed in all my years in Parliament, many of which have been spent on the Back Benches—and on getting the Bill to the Floor of the House. It clearly represents the concerns and experiences of his constituents and many others in Scotland, as he vividly demonstrated. We discussed Scottish banknotes in connection with the recent Banking Bill, and I understand how frustrating and potentially embarrassing, inconvenient and annoying it is if someone's money is refused by retailers, even though it is UK money.

The hon. Gentleman made many important points, and his Bill is intended to address the acceptability of Scottish banknotes. I am sceptical that a legislative vehicle is the best way to solve the problems that he outlined, and I remain to be convinced that the Bill, as drafted, would solve the problem. I know that, as he said, he has spoken to my right hon. Friend the Secretary of State for Scotland, who shares his concerns and is also keen to safeguard the long-standing tradition of Scottish banknotes.

I believe that there are some effective ways forward, which I hope to outline to hon. Members, that will begin to put right some of the inconvenience and embarrassment that the hon. Gentleman's constituents experience south of the border when attempting to spend what are, after all, pounds sterling.

Mark Pritchard: The Exchequer Secretary mentions embarrassment. Given that, even as we sit here, the largest number of Scottish banknotes in United Kingdom history is being printed, is it not incumbent on the Treasury to send a Minister to the House, either later today or on Monday, to make an urgent statement about quantitative easing and the billions being spent—

Mr. Deputy Speaker (Sir Michael Lord): Order. The hon. Gentleman knows full well that that is not the subject of the debate. I do not encourage the Minister to respond to that intervention.

Angela Eagle: I always like to respond to questions that are put to me in the House, but I hear your comments, Mr. Deputy Speaker. I say only that it is wrong to believe that Scottish—or, indeed, any—banknotes will be printed as a result of the measures that the Bank of England set out yesterday.

I would like to explain the reasons behind the Government's position, especially our scepticism about some of the enforcement methods that the Bill proposes. The issuance of national banknotes is usually a function undertaken by the central bank, which is the Bank of England in the United Kingdom. As the hon. Member for Somerton and Frome (Mr. Heath) said, with the exception of Hong Kong, the UK is highly unusual in allowing several commercial banks to issue their own banknotes.

I note that the Bill relates only to Scottish notes, but, of course, as my hon. Friend the Member for Thurrock (Andrew Mackinlay) pointed out, there are also four commercial issuing banks in Northern Ireland. I hope that the hon. Member for Dumfriesshire, Clydesdale and Tweeddale will forgive me if my remarks cover both jurisdictions. I do not think that making a distinction between them is appropriate, as it sets up an unnecessary

two-tier system. We may have some positive effects on the practical problems that he outlined if we consider the two jurisdictions together.

This right to issue is set out in the Bank Notes (Scotland) Act 1845, the Bankers (Ireland) Act 1845 and the Bankers (Northern Ireland) Act 1928. Parts of legislation will be repealed and replaced by part 6 of the Banking Act 2009. It modernises and strengthens the regime for note issue, which is more than 160 years old.

Currency, legal tender and banknotes are specifically reserved to the UK Parliament under the Scotland Act 1998, and are excepted matters under the Northern Ireland Act 1998. They are, therefore, matters on which the UK Parliament continues to legislate after devolution.

The Bank Charter Act 1844 prohibited any new banks in England and Wales from issuing banknotes. The 1845 legislation in Scotland and Ireland makes similar provision for banks in those nations. At that time, a total of 21 banks applied to become certified to continue issuing banknotes in Scotland and Ireland. As the hon. Gentleman said, that number has reduced over time through mergers, insolvency, or by banks choosing simply to stop issuing, to a total of seven issuing banks today. As my hon. Friend the Member for Thurrock said, in Scotland they are: the Bank of Scotland, which is a subsidiary of Lloyds Banking Group; Clydesdale bank, which is a subsidiary of National Australia Bank Ltd, and the Royal Bank of Scotland. In Northern Ireland they are: the Bank of Ireland; Allied Irish Banks Group (UK); Northern bank and Ulster bank. I confirm that the Government are committed to maintaining that long-standing tradition of commercial banknote issuance in Scotland and Northern Ireland, and are not seeking to discourage those commercial issuers of banknotes from continuing that practice.

The hon. Member for Somerton and Frome mentioned retailers in Somerset and I note with interest an odd coincidence. The last private bank to issue notes in England and Wales was a Somerset bank—Fox, Fowler & Co., which issued its final notes in 1921. The hon. Gentleman might want to look around some of the shops in his constituency to see whether he comes across a few examples of those banknotes and to contemplate the role that Somerset has played in issuing banknotes in England.

The hon. Member for Dumfriesshire, Clydesdale and Tweeddale is seeking to address genuine issues with his Bill. When we talked before today's debate, he gave me examples of where Scottish notes had been refused. I have heard examples anecdotally from my Scottish colleagues on the Government Benches many times, and the point has been reflected in all the contributions that we have heard this afternoon. The problem manifests itself in many different forms, not all of which are addressed by the Bill. It occurs to me, both from the anecdotal evidence the hon. Gentleman has presented and from the evidence that I have come across, that the problem tends to manifest itself more often in areas where such notes are less common and are seen less frequently. The issue is unfamiliarity with the notes, as the hon. Members for Somerton and Frome and for Hammersmith and Fulham (Mr. Hands), speaking from the Opposition Front Bench, both mentioned.

There are 22 different Scottish banknotes in circulation and their designs—I have pictures of them here—are beautiful, interesting and varied. Many of them are collector's items. One can add to that the 17 different bank notes issued in Northern Ireland. That creates a plethora of notes, which can cause consternation in areas where they are not seen regularly and where people are not familiar with them, even though they are perfectly safe and backed by Bank of England deposits. That unfamiliarity is one of the problems that we must deal with.

If we are trying to deal with unfamiliarity, the web should be the first port of call. However, people have to go on it, but often small traders do not have the time, and certainly not in the shop. If something odd turns up—something with, say, a depiction of Jack Nicklaus on it—one might think that it was not a real note. Indeed, it might give one pause. However, before we resort to the legislative sledgehammer, we should think about whether we can come together to put in place a campaign that would encourage the many retailers in this country to become more familiar with the different banknotes that they may, perfectly safely, take in payment.

Scottish banknotes circulate widely in Scotland and in those areas that are close to the border with Scotland. Also, Scottish banknotes tend to be more readily accepted in other centres of significant interchange of people between England and Scotland, such as airports. Familiarity is clearly one of the keys to improving the problems that the Bill seeks to address.

It is clear from the work that we did on the Banking Act 2009 that there will no longer be any legitimate worries about backing assets that stemmed from the rather old legislation—it is 160 years old—that was brought to bear in backing both Northern Ireland and Scottish banknotes until the passage of that Act. The changes that will come into effect later this year will ensure not only that the backing arrangements for those notes will confirm that they are risk-free and that they have the same backing as Bank of England notes, but that although some might think that those issues are an excuse for not accepting such notes—there might have been a technical reason for arguing that before the passage of the 2009 Act—that will no longer be a legitimate worry. The level of protection involved will be similar to that given to holders of Bank of England notes, and, in the event of an issuing bank failing, those who end up with the notes in their possession can expect to obtain full face value. That should close any loopholes that businesses might have used as an excuse for not accepting Scottish banknotes.

A further difference between Bank of England notes and commercially issued notes relates to the fact that commercial banks have control over certain elements of their own banknotes that might be material to acceptability, and that might differ from the approach taken by the Bank of England. One of those elements is the design of the banknotes, as my hon. Friend the Member for Thurrock said in his extremely thoughtful speech. It is reasonable to assume that the more designs there are in circulation, the less familiar people will be with them. We have looked at the numbers involved, and I note that, while there are 39 Scottish and Northern Irish banknote designs in circulation, there are just five Bank of England notes. One of the Bank of England notes, the Edward Elgar £20 note, is going through a transitional period, and is in the process of being withdrawn, to be replaced by the Adam Smith £20 note.

[Angela Eagle]

The Bank of England's policy is to have one current series of banknote design per denomination—two when transitioning from one design to the next—and to withdraw old series from circulation. This has the benefit of minimising confusion among holders of the notes, because there are fewer designs to recognise and remember. It also reduces the risk of counterfeiting, because people become more familiar with the anti-counterfeiting features on the notes, which can often differ from one generation of note to the next.

None of the commercial banks in Scotland or Northern Ireland withdraws its previous series of notes from circulation, which leads to a much greater number of different designs passing around the country at any point in time and with varying anti-counterfeiting features on them. It might therefore be harder for businesses and the public at large to know exactly what a genuine Scottish banknote should look like, just because there are more variations in circulation. People should not be blamed for this; it just goes back to the question of familiarity, which has been recognised as an issue by hon. Members on both sides of the House.

The hon. Member for Dumfriesshire, Clydesdale and Tweeddale referred to the use of a fancy pen. They are good as far as they go, but it is important to stress that the anti-counterfeiting features used within a banknote often vary across issues, series and denominations. For example, the new Adam Smith £20 note includes a holographic strip not featured on its Edward Elgar predecessor. New anti-counterfeiting features are always being developed, but the rate at which they are adopted varies across issuers as they almost always increase the production cost of a note. An unfortunate consequence of this lack of uniformity means that an anti-counterfeiting check carried out by a business for one note—such as the Adam Smith note with the holographic strip—might not be suitable for another note. This problem might also be compounded by the number of different types of notes in circulation at any given time.

There is also the question of denominations. Traditionally, all the Scottish issuing banks have chosen to issue £100 banknotes, which the public might be less willing to accept as payment. In a similar vein, the Bank of England £50 note is not commonly found in circulation, and therefore when people come across them they are often more circumspect about accepting them. All these elements—banknote liabilities and the backing asset regime, the number of different note designs and security features in circulation, the level of educational activity undertaken, and differing policy regarding denominations—might influence the acceptability of Bank of England notes, compared with commercially issued notes.

It is important for us to consider, ahead of a legislative process, the issue—

David Mundell: Will the Minister give way?

Angela Eagle: Let me just finish this point about the technical standards board, because it is really important that I make it.

David Mundell: On a point of order, Mr. Deputy Speaker. It appears that the Minister will not accept my intervention so that it will not appear on the record that I was challenging her for talking my Bill out.

Mr. Deputy Speaker: I call Angela Eagle.

Angela Eagle: It is really important to recognise that a great deal can be done to achieve the hon. Gentleman's aims, which we all support, short of introducing draconian legislation. I want to work closely with him and with others—

2.30 pm

The debate stood adjourned (Standing Order No. 11(2)).

Ordered, That the debate be resumed on Friday 13 March.

Business without Debate

PRESUMPTION OF DEATH BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 27 March.

EXERCISE OF REASONABLE DISCRETION BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 27 March.

USE OF THE CHAMBER (UNITED KINGDOM YOUTH PARLIAMENT)

Motion made,

That this House welcomes the work of the United Kingdom Youth Parliament in providing young people with an opportunity to engage with the political process and bring about social change; notes that many hon. Members from all parts of the House are actively involved in the work of the UK Youth Parliament; and accordingly resolves that the UK Youth Parliament should be allowed for this year alone to hold its 2009 annual meeting in the Chamber of this House.—*(Helen Jones.)*

Hon. Members: Object.

Alfred Sargent and Sons Ltd

Motion made, and Question proposed, That this House do now adjourn.—*(Helen Jones.)*

2.30 pm

Mr. Peter Bone (Wellingborough) (Con): I am extremely grateful to Mr. Speaker for granting me this Adjournment debate at such short notice. Mr. Speaker has a well deserved reputation for his concern about people losing their employment. I am extremely pleased and delighted that the Minister is in his place to answer this debate, as he is well known for his willingness to listen to constructive arguments and to enter into debates. He is also well known for being wheeled out when there is a difficult problem. I hope he is here today for the first rather than the last reason.

It is not my intention to blame the Government for what I see as a gap in the national law. If a Conservative Government were in power today, I would still rise to press this issue. It is not party political; there is a gap in the law and it needs to be put right. The issue involves 40 hard-working men and women who lost their jobs in December last year and have been out of pocket ever since through no fault of their own; they are still out of pocket.

Let me start by setting out the background to the problem. The Wellingborough constituency consists of two main towns, Wellingborough and Rushden, and a small number of smaller villages. The constituency lies in the east midlands region or at the extreme south of the east midlands located to the east of the M1. Historically, the Wellingborough constituency has been a prosperous area built around the boot and shoe industry, gaining national and international recognition for its products.

Over the past decade, however, manufacturing industry in my constituency has gone into a nosedive with shoe factory after shoe factory closing. If we take Rushden alone, we see that there were 106 shoe factories there in 1920; as late as 1973 there were still 40 shoe factories; today, we will find just five. For anyone wishing further information about the shoe trade in Rushden, I would recommend the website www.rushdenheritage.co.uk.

The decline in manufacturing has been a national disgrace. If I were to be critical of the Government in this debate, I would refer only to their over-reliance on banking and financial services at the expense of manufacturing industry, which has been a total disaster. We need think only of the billions of pounds thrown at the banking and financial sector at the most enormous cost to each man, woman and child in the country to see the folly of that policy. If only a small percentage of the taxpayers' money now being thrown at the banking industry had been directed towards making the lives of manufacturing companies any easier, we would now be in a far better position and there would be no need for today's debate. I said at the start that I was not going to be political in this debate, so it would be wrong for me to make that point.

It is fair to say, however, that the economic boom bypassed Wellingborough. Unemployment in the area is now much higher than it was in 1997: at the end of January, 2,708 people were on the unemployment register, whereas in January 1997, there were only 2,144. Unemployment in my constituency has gone up by more than a quarter.

That sets the general background to the debate. Let me now talk about the specifics. Early in December last year, I began to receive complaints from constituents who had been employed by Alfred Sargent and Sons Ltd in Rushden. They had been made redundant, but had not received any redundancy payments, although the company continued to trade. Losing one's job is hard enough, but not receiving redundancy payments was very worrying for the people who had contacted me, particularly as it was just before Christmas. The situation was covered extremely well by my excellent local newspaper, the Northamptonshire *Evening Telegraph*, which kindly published an article reflecting my concern and suggesting that affected workers should contact me directly.

I want to make it very clear that I make no criticism whatever of Alfred Sargent and Sons Ltd, its board of directors, or any of its work force. The company was faced with an extremely difficult Catch-22, and dealt with it as best it could. At the end of the story, there is some good news: Sargent's has streamlined and continued to trade, and I understand that its prospects of success are extremely good. My aim today is not to criticise the company, but to expose a loophole in the law. Nor do I intend any criticism of the Government, who may well not have been aware of the loophole.

I should also point out that Alfred Sargent and Sons Ltd was not some fly-by-night organisation that had existed for only a few years. It was founded in 1899 in Rushden, and was a family business that had passed through four generations based in Portland road. It produced high-quality footwear using traditional techniques. The view of the factory from the road has changed very little in more than 100 years. This was a traditional family business, producing high-quality goods and refusing to cut corners; but it was hit by the extraordinary recession that faces us today, and given unhelpful banks and falling demand, its position became impossible.

As someone who has run a small family business and has had to make employees redundant, I know that it is the worst thing that a boss ever has to do, but sometimes a boss is faced with the dilemma that if he does not reduce his work force, the whole company will go under. In a small family company, the boss's employees are his friends and part of his extended family, and to tell them that they have no job is extremely difficult. In the case of Alfred Sargent and Sons Ltd, it must have been even more difficult. Many of the workers had been employed by the company for many years, as many as 20 years in some cases. A boss does not make the decision to lay such people off lightly. It is heartbreaking, and extremely difficult.

Why do companies go bust? Is it because they are running at a loss? No, that is not the reason; the reason is that they run out of cash. They may be highly profitable, but if they have no cash they will go bust. Equally, they can run loss after loss, but if they have substantial cash or loans they can continue to trade.

This is the dilemma for Sargent's. It has a work force of 120 people. If the company lays off 40 of them, it can save £600,000 a year in cash and continue in business. If it does not lay the staff off, that extra £600,000 will force the company to go under. Reluctantly, the boss is forced to make the employees redundant. But here is the Catch-22. As he has been a good employer and run an excellent family company, his employees have been with

[Mr. Peter Bone]

him for many years, some for more than 20. The cost of redundancy, if the company had to pay it, would be a quarter of a million pounds. That would bring the whole company down, with the loss of an additional 80 jobs and, of course, one less high-quality manufacturing company.

This situation is not adequately covered by current regulations. Of course, if the company in its entirety went into liquidation, the Government would immediately pay everybody their redundancy money from Government funds. Alternatively, if a large public company lays off people to make itself more profitable, it is required—and it should be—to pay the redundancy money from its existing assets. However, for a small family company trying to soldier on under the current law, the situation is a mess.

Let me take this opportunity to read a letter I received from the Minister for Employment Relations and Postal Affairs, which sets out the current law—and I must say that it reveals the current law to be an ass.

"Dear Peter,

Thank you for your letter of 12 January, about employees that have been made redundant from Alfred Sargent and Sons Ltd of Portland Road, Rushden, NN10 0DQ.

As I said in reply to your question on 11 December 2008"—

I was able to ask an oral question in the Chamber—

"there is a scheme administered by the Insolvency Service to assist employers to meet the costs of statutory redundancy payments against an agreement from the employer to reimburse the National Insurance Fund over a period of time. The scheme is administered by the Insolvency Service's Redundancy Payments Offices (RPOs). To date no application for assistance has been made by Alfred Sargent and Sons Ltd."

I will return to that sentence letter, as it is crucial to my argument.

"I understand that one ex-employee made a claim for payment to the Birmingham RPO. As the company has not applied for assistance, the RPO had no legal basis under which to make a payment to that employee. She has been advised of her right to take employment tribunal action in respect of the payment owed to her by the company.

It may be helpful if I explain that legislation places the primary responsibility for making redundancy payments on employers. However, I hope your constituents take some comfort from the fact that, under provisions contained in the Employment Rights Act 1996, the RPO can take over that responsibility if either the employer qualifies for assistance under the Financial Difficulty Scheme, or is legally insolvent as defined under the 1996 Act, or has failed to comply with an employment tribunal award. Consequently, if your constituents obtain an employment award and Alfred Sargent and Sons Ltd do not pay it, the RPO would be able to pay any statutory redundancy payment due. The RPO would then seek repayment from the company."

The letter continues, but those are the main points, and it is signed by the Minister for Employment Relations and Postal Affairs at the Department for Business, Enterprise and Regulatory Reform.

What does all that mean for the former employees of Sargent and Sons? It means that they can get their money through only two methods. One is to approach the employment tribunal service, and then to fill in a complicated 12-page form, of which I have a copy with me. I am a fellow of the Institute of Chartered Accountants in England and Wales, and I would find it difficult to fill in this form and answer all these questions correctly, let alone someone with no financial background who has just lost their job. I have had three mass meetings with the people laid off by Sargent, and I found it incredible to learn that the jobcentre was not interested in this problem. Its basic view was, "We're here to find you a new job and organise your jobseeker's allowance. A different department deals with redundancy payments. It is nothing to do with us." So, these people are left with a difficult form—which they first have to find out that they need—that they then have to submit, and somewhere down the line there is an employment tribunal at which they will be awarded a claim for redundancy payment. Only after that can the RPO enforce the claim. In practice, in this case, the redundancy money due in December to the ex-employees of Sargent and Sons will not be paid until June this year—more than half a year after they were entitled to it. That is a highly bureaucratic and unsatisfactory way of dealing with redundancy.

The second way in which the ex-employees could have got their money was if their company had approached the RPO under the financial difficulties scheme, negotiated with it, been investigated by it and, eventually, the RPO had paid the redundancy money and agreed a schedule of recovery from Sargent's. That sounds good on paper and sounds like it would have solved the problem. However, for a family company fighting for its survival, that option is a non-starter.

Anyone who has ever fought to keep their company going through a difficult time, with cash-flow difficulties, knows that people in that position have to work every minute of the day and night to find a solution. They have to deal with problem after problem—problems that never had to be dealt with before—and probably have to put their own money into the company to keep it going. They are negotiating with banks, suppliers and customers, as well as trying to keep the company running in an orderly manner.

To believe that a family business in that position has the time to negotiate with a Government Department is to live in cloud cuckoo land; yet the law says that the RPO cannot approach the company and offer it help, as we read in the ministerial letter that I quoted from. The RPO has to be approached by the company. In several of my discussions with the regional RPO, I suggested to the lady there, "Pick the phone up, ring the company and tell them what you can do for them." She said, "I would love to do that, Mr. Bone, but the law prohibits me from doing it."

Before saying what I think the Government should do and how the law should be changed, I did promise a happy ending to my story. Last Thursday, at 3.50 pm, Alfred Sargent and Sons went into administration, but since then the management have bought the assets of the former company and it is trading successfully, with 80 employees, and the future looks encouraging. The employees who lost their jobs have been issued by the administrator with an RP1 form, which will entitle them not only to their redundancy money but to any arrears of pay and holiday pay and, ultimately, to pay in lieu of notice. That will all be paid by the Government, and I understand that it should be done within about a month.

So for those employees, who have acted in a very restrained and responsible manner throughout what has been a very difficult few months, there is at least

light at the end of the tunnel. However, they should never have been placed in this position. They should have received their redundancy money as soon as they were laid off. I do not blame the Government, because I do not think that they realised that there was this unusual—but I guess now not uncommon—problem. If a family company continues to trade but has to lay people off so that it can survive—as in the case of Sargent and Sons—it should not be those who are laid off who suffer and bear the burden. In my view, the Government should step in and help.

The law needs to be changed so that the RPO can be proactive when a company is about to make people redundant. It should pay the redundancy money as if the company had gone into liquidation, and then seek to recover it from the company over a period of time. Under that scheme, the Government would not be any worse off, and could be better off.

In that context, let us consider the case of Alfred Sargent. The company has now gone into administration and the Government will have to pick up the tab, so they might as well have given the redundancy payments to the Sargent workers in mid-December. The Government would not have been any worse off. In fact, they might have been better off because, had the original company survived, they would have got their money back over a number of years.

I appreciate that this would be a minor change to the law and that it would not be applicable in many cases, but in the ones to which it does apply it would save jobs and protect workers' rights. I look forward to hearing from the excellent Minister. I hope that he will be able to take on board my comments and seek ways to improve the situation. I stress again that I am not criticising the Government at all, but I believe that they have an opportunity to solve a Catch-22 problem. I assure you, Mr. Deputy Speaker, that even if the Minister cannot help me, I do not have any green custard.

2.50 pm

The Parliamentary Under-Secretary of State for Business, Enterprise and Regulatory Reform (Ian Pearson): I congratulate the hon. Member for Wellingborough (Mr. Bone) on securing this debate and compliment him on the vigorous way in which he always stands up for his constituents' interests and the thorough way in which he analyses issues.

I shall touch on the points that the hon. Gentleman made about whether there is a loophole in the legislation and whether the redundancy payments office ought to be more proactive, and about paperwork and form-filling, but may I first offer a few general comments, as he did? Let me refer first to the Northamptonshire economy. The employment rate is 81.6 per cent., which is high, and the gross value added per head has consistently been above the regional and United Kingdom average since 1996. I understand that the jobseeker's allowance claimant count in Northamptonshire is 3.3 per cent. The county is suffering from the recession, just as other counties and regions in the UK are at the moment. I note that a job fair is taking place today in Kettering town centre and that Jobcentre Plus is providing support to a number of people who have had to suffer redundancies in companies in the Northamptonshire area.

The hon. Gentleman will probably be aware that the Prime Minister launched the booklet "Real help for the East Midlands" in Northamptonshire on 13 February. It signposts practical help from the Government to support businesses and families. The Minister for the East Midlands, through his regional economic cabinet, has set up a cross-agency redundancy response group, providing a wide range of assistance for businesses and individuals across the east midlands. The group includes Jobcentre Plus, the regional development agency, the Learning and Skills Council and ACAS. The LSC and the careers service are both supporting people to retrain in Northamptonshire through schemes such as Train to Gain. As he will be aware, a number of plans are in place, such as improving the A14, which runs through the north of the county.

The hon. Gentleman will also be aware, because we have debated this on a number of occasions, that in response to the worsening economic situation the Government have put in place a range of measures to support business: the enterprise finance guarantee, which helps companies with a turnover of up to £25 million by providing a loan of up to £1 million over a flexible period, of which the Government will guarantee up to 75 per cent.; the working capital scheme, which we hope to introduce very shortly; and the help that we are offering the automotive industry—a number of components companies are located in Northamptonshire—through the automotive assistance package.

I shall now refer specifically to some of the comments that the hon. Gentleman made about Alfred Sargent and Sons Ltd and the situation in which the workers have found themselves. This well-established footwear company, which is based in Rushden, Northamptonshire, has been going through difficult times. I was pleased that he ended on a positive note by saying that the company has risen from administration and looks to have brighter prospects. We all welcome that. It is clearly regrettable when anybody loses their job and has to be made redundant in the economy. The first thing that the Government seek to do, under our active labour market policies, is provide rapid response help through Jobcentre Plus, to try to ensure that we can get them training and jobs as quickly as possible.

The situation with Alfred Sargent and Sons, as the hon. Gentleman explained, is unusual. It is my understanding that some 30 workers were made redundant at the end of November, and since then they have been pursuing wages, holiday money and redundancy payments. At the beginning of December, they were paid one of the weeks' wages that they were owed, but they have not been able to obtain the rest of their money from the company.

Business Link East Midlands had contact with the company in October 2008 and recommended that it pursue a range of support products, including a regional development agency business transformation grant, which would involve bringing in a business specialist. It also recommended accessing the transition loan fund, which is a temporary cash flow loan available through the regional development agency. It further recommended contacting the Manufacturing Advisory Service for the east midlands, which can provide hands-on support for companies. I am not aware that the company took those offers up, and it obviously had other things on its mind during a very difficult time.

[Ian Pearson]

The hon. Gentleman read out a letter he received from my right hon. Friend the Minister for Employment Relations and Postal Affairs. As the hon. Gentleman will be aware, at that time the company was not formally insolvent, and since then an insolvency practitioner has been appointed. At that time, therefore, the redundancy payments office was unable to help. However, there are rare specific circumstances in which the RPO may be able to offer help to those companies making redundancies prior to becoming insolvent. That is the nub of the issue, and where the hon. Gentleman sees a loophole.

The RPO wrote to the company asking whether it wanted to take advantage of its support, so to that extent the RPO was proactive, as the hon. Gentleman enjoined it to be, but it was the company that decided not to pursue the issue.

Mr. Bone: I appreciate that the RPO did contact the company, but that was only after I badgered it to do so, and it broke its own rules in doing so.

Ian Pearson: I am interested to hear the hon. Gentleman say that. My understanding is that the RPO can contact companies in that situation, but it is up to companies to contact the RPO and say that they want to take up the offer. In this case, the company did not do so. It is regrettable that the company had to decide to make the workers redundant, although that was a commercial matter for the company. I have had to make people redundant in the past, and it is the worst thing that one ever has to do as a manager. Nobody in their right mind relishes doing it.

I will ask my officials to get back to me and to my right hon. Friend the Minister for Employment Relations and Postal Affairs on the specific question of whether there is a loophole in the law. It is clearly the case that in rare circumstances the RPO can offer help prior to a company becoming insolvent, but the question whether that has to be triggered by a request from the company or can be offered by the RPO is an interesting one. We can perhaps explore whether there is more we can do to help. I will also ask my officials to consider the paperwork and form-filling that is involved, to ensure that it is proportionate and reasonable in the circumstances.

We live in incredible times. We face a recession that is of a different nature from any that I have lived through. We are taking some extraordinary action as a Government, and we need to continue to have an open mind and do all that we can to help those who are unfortunately being made redundant and to support viable businesses to get them through these tough economic challenges in the best possible way.

Question put and agreed to.

3 pm

House adjourned.

Westminster Hall

Tuesday 24 February 2009

[MRS. JOAN HUMBLE *in the Chair*]

Unitary Authorities

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr. Ian Austin.)*

9.30 am

Mr. Keith Simpson (Mid-Norfolk) (Con): It is a great pleasure to serve under your chairmanship, Mrs. Humble. For many colleagues present, this is a walk down memory lane, as the consideration by the boundary committee for England of proposals for unitary authorities in Norfolk, Suffolk and Devon has been an issue since October 2006. A vast amount of time, effort and money has been spent by local authorities in that period, and their attention has been diverted from the delivery of good local services. It has also been a time of great uncertainty for the staff of many local district authorities, as they do not know whether they will have a job at the end of the process.

This is the third debate that I have initiated on this issue. The first, a one and a half hour debate on 20 November 2007, and the second, a half hour debate on 9 July 2008, narrowly considered Norfolk and a bit of Suffolk, while today's debate covers all three county areas. I asked for this debate largely as a consequence of the legal challenges that different local authorities have made and of the Secretary of State's decision to extend the deadline for advice to 15 July 2009.

I find it amazing, at this stage, that both the boundary committee and the Secretary of State have conceded that the committee misdirected itself in restricting the publication of its draft proposals to a single scheme, last July, thus making the process unlawful. The boundary committee said that it would have published proposals on more than one scheme if it had thought that it could. With the best will in the world, although colleagues may disagree on whether the principle of having unitary authorities in their county areas is good, that kind of monumental cock-up, at procedural and administrative level, is an absolute disgrace. Either the boundary committee will have to go back to square one and reconsider all the evidence, or, as I shall reiterate at the end of my speech, the Minister should, with some grace, drop the whole proposal as it is fatally flawed.

My approach to this issue has been to consider whether any reorganisation of local government in Norfolk from the current status quo will provide better services and better value for money to my constituents. From the beginning, I have never been convinced that any of the options would do that, but I accept that other colleagues take a different view on different options. From the start of the process, I have believed that it is heavily politically inspired and related to the Government's desire to help the Labour parties in Norwich, Ipswich and Exeter. There is considerable local evidence to support that view, which I have presented in earlier debates.

For me, the two main issues are, first, whether unitary authorities would, in principle, be good for my constituents in Norfolk, and, secondly, how legitimate and efficient the process followed by the boundary committee, as instructed by the Government, has been.

Mr. Henry Bellingham (North-West Norfolk) (Con): I am grateful to my hon. Friend for giving way, and I am sorry that I cannot stay for long, as I have to attend a Public Bill Committee. Does he agree that a third issue to consider, which the boundary committee has ignored completely, is the views of the wider electorate? Is he aware that in west Norfolk not one parish council is in favour of having a single unitary authority and that a poll commissioned by the borough council revealed that a staggering 75 per cent. of people were against it? At a public meeting on the issue, two weeks ago, 200 people attended, all of whom were opposed to having a single unitary authority, so the wider public have been ignored.

Mr. Simpson: I thank my hon. Friend for that intervention, and I shall comment on that issue in a moment.

Mr. Gary Streeter (South-West Devon) (Con): My hon. Friend has raised two important issues, but may I invite him to add a third reason why the proposals should not go ahead at this time—the likely cost? Has he made any estimates of the up-front cost of that restructuring in the teeth of a recession, when Government coffers are running low? Even though there may be clawback over a number of years, can it really be right to charge the taxpayer to restructure in this completely unnecessary way when we simply cannot afford it?

Mr. Simpson: My hon. Friend makes a good point, which colleagues have made in previous debates. The two points that my hon. Friends have made, on the democratic deficit and on cost, are absolutely crucial. As far as the democratic deficit is concerned, the irony is that the boundary committee made it quite clear that it was not in the business of weighing up the number of letters coming in expressing an opinion one way or another, and that it was going to consult only stakeholders. That is unacceptable in this day and age. As far as costs are concerned, a series of studies have shown that—my hon. Friend the Member for West Suffolk (Mr. Spring) made this point through a question that he asked—the costs of the process in Suffolk have been £250,000. There is also the issue of whether there will be any savings.

Mr. Anthony Steen (Totnes) (Con): May I say what a great service my hon. Friend has done to the House by bringing this matter before it again this morning? I have two points to make. First, is he aware that the committee said that the cost in Devon, not of running the inquiry, but of running Devon after unitary authority status was granted, if that was its recommendation, was not important to it and was at the bottom of the list of priorities? Secondly, it was not concerned about the community either. That is why it planned to put the headquarters of the new Devon unitary authority in Barnstaple.

Mr. Simpson: I was not aware of that, and that is a very good point. Like other colleagues, all I know is that in the past two and a half years I have not received

[Mr. Keith Simpson]

one letter, e-mail or phone call from, or had one face-to-face conversation with, any constituent who is in favour of anything other than the status quo. Indeed, if anything, people have written vociferously to oppose all the options that the boundary committee has proposed. All the parish councils in the Broadland district council area have opposed the proposals.

Mr. Charles Clarke (Norwich, South) (Lab): Does the hon. Gentleman accept that I have received many representations from businesses, citizens and constituents in my constituency who argue strongly in favour of unitary authority status? *[Interruption.]* I am sorry, but I did not catch that intervention.

Serious business people have seen the argument in favour of a unitary system for cost reasons, because it will be far cheaper, far more effective and far more democratic than the current two-tier system.

Mr. Simpson: The right hon. Gentleman may have received such representations; I accept his word on that. All I know is that the business community is divided on this issue. Big business tends to be in favour of the proposals, but most small businesses tend to be against them. I hear a desperate argument from some people in Norwich who want a unitary authority because they fear that local government in Norwich has not been in the top league in the past 20 or 30 years. The auditing of local government accounts, the recent problems with housing allocations, and the fact that, even today, Norwich city council is going to be in the biggest dog fight possible about setting the council tax rate, means that Norwich has specific problems, and I am very sorry for the constituents of both the right hon. Member for Norwich, South (Mr. Clarke) and the hon. Member for Norwich, North (Dr. Gibson).

The right hon. Gentleman mentioned cost savings. The problem is that there is no agreed set of criteria by which to judge what savings have been made. That issue needs to be revisited given the economic downturn and the enormous economic pressures on all the councils in all the relevant areas. I suspect that the Treasury will not look favourably on any reorganisation that will cost money. In a previous life, the Minister was a Treasury Minister, under the current Prime Minister, although he might not want that fact publicised in these days of economic turbulence.

When mentioning the alternative proposals being put forward for Cheshire, in a debate on the Cheshire (Structural Changes) Order 2008 on 4 March 2008, Baroness Andrews, the Under-Secretary of State for Communities and Local Government, said:

> "It is important to stress from the outset that this is not a choice on which one delivers greater savings or which one has greater public support. It is about which one can better deliver long-term outcomes in a very challenging environment."—[*Official Report, House of Lords*, 4 March 2008; Vol. 699, c. 1031.]

The problem is that that assessment is subjective rather than evidence-based.

Local opinion in Norfolk and, I suspect, in Devon and Suffolk has become cynical about reorganisations. We have had experience not just of the appalling process of reorganisation of local government, but of the reorganisation of the primary care trusts—we went to six and now we are back to one—and the attempts, which the right hon. Member for Norwich, South supported, to reorganise the police in Norfolk, Suffolk and Cambridgeshire, which was greatcoats on, greatcoats off. My hon. Friend the Member for South Norfolk (Mr. Bacon), the hon. Member for North Norfolk (Norman Lamb) and I have attempted to achieve democratic accountability through the Broads authority, and that has failed. So, local opinion is incredibly cynical about these outcomes.

Having passed briefly over some of the principal aspects of whether unitary authorities are a good idea, I now want to look at the process itself, which has shown ministerial interference and plain incompetence at the level of both the Government and the boundary committee. The committee's process began in summer 2007 before it received any ministerial instructions: it was found that it was attempting to bully local authorities into coming up with options before any instructions were received. The committee informed us at the time that cross-county proposals would not be considered and were not on the agenda, but in December 2007 ministerial instructions said that they would be. The committee had also said that it was unlikely that it would consider unitary authorities covering more than 500,000 people. Of course, as we know, the first unitary authority to be considered in respect of Norfolk and Suffolk would probably have had a population of between 750,000 and 800,000.

The boundary committee told Members of Parliament and peers that it would cost only those proposals that emerged from an initial sift. No other area that I can think of, either in the private or public sector, would do that. It is rather like the Ministry of Defence having bids for the procurement of a piece of equipment and deciding only to cost them after an initial sift. I find that absolutely incredible.

In July 2008, the boundary committee published its proposals: a single unitary for Norfolk, including Lowestoft, with two alternative patterns; a two-authority pattern for Suffolk; and, in Devon, a single unitary authority, less Plymouth and Torbay. Shortly after those proposals were published, a meeting of Norfolk and Suffolk peers and MPs saw the boundary committee chairman and officials absolutely scragged—to use a Dickensian expression—in terms of their proposals and the process. My right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) and the right hon. Member for Norwich, South were forthright in their views on those proposals. Later, we discovered under a freedom of information request that the boundary committee's own experts had proposed an east-west divide as the favoured unitary authority for Norfolk. Why was that advice ignored? Why have experts if they are going to be overruled? Perhaps the boundary committee, or the Minister, could tell me the criteria by which it overruled its own experts. That does not give us confidence in the process.

I suspect that the proposals for all three areas satisfied no majority of local opinion and, if anything, enraged it. Norfolk district councils went to the High Court to challenge the basis for the boundary committee's proposals and, as a consequence of a judgment, the deadline for advice was extended from December 2008 to February 2009. Now the Secretary of State has further extended that deadline to 15 July 2009. We were told from the beginning that, like the Mad Hatter, we had to rush and decisions had to be made very quickly indeed. However,

I understand, from a judgment in court last week, that the judge said that there appeared to be no deadline and that it could be extended to 2011 or 2012. Once again, there appears to be a muddle about the process.

It was interesting that the Secretary of State's letter said that she wanted to take into account

"directions contained in the judgment handed down by Mr. Justice Cranston after an application for judicial review by East Devon council."

That actually means that the Secretary of State keeps refining her advice to enhance proposals for what she wants rather than what the boundary committee wants. As I mentioned at the beginning of my speech, there is a suspicion in Norfolk, Suffolk and Devon that this has more to do with party political issues than the good delivery of local government in our areas.

It is unlikely that the Secretary of State will be introducing any orders in Parliament until the new year of 2010 or, if those are passed, bringing any unitary authorities into being in Norfolk, Suffolk and Devon until May 2010—and by then there is likely to be a general election. I suggest that the Minister either goes back to the drawing board, given the failure to reach any agreed solution to the options on the table and given that the process is fatally flawed, or, even better, that he scraps this disastrous process, which has had relatively limited support within the county structures and has been an embarrassment to the Government.

9.46 am

Norman Lamb (North Norfolk) (LD): I congratulate the hon. Member for Mid-Norfolk (Mr. Simpson) on securing this important debate on a subject that has caused enormous frustration in our county of Norfolk. I will keep my remarks brief, because other right hon. and hon. Members want to contribute to the debate.

I want to deal with three issues that have caused me real concern. First, when the process got under way, I assumed that it would be evidence-driven and that there was clear evidence in support of the case for unitary authorities. Instinctively, I could see a potential case for unitary authorities: one level of local government serving local people and delivering all local services seems to be a sensible way to proceed. However, my confidence in the process was undermined at my first meeting with the boundary committee, when I started the conversation by saying that I assumed that there was clear evidence for the case for unitary local government. The answer, which came swiftly, was no. There is no clear evidence at all. The picture is patchy. Some have worked well and others have failed rather badly. The answer to my questions, "Does it deliver better services and better value for money?" and "Does it deliver services that are more easily understood by the public?" was, on an evidence basis, no. That undermined my confidence in the whole process. Surely this process should be based on evidence and should not be a political process driven from the centre.

Secondly, the process has passed the public by: they have been largely ignored. The views of bodies such as parish councils, as the Member for North-West Norfolk (Mr. Bellingham) mentioned, appear to have been ignored, too. For me, if there is to be a review of local government—I have an open mind; if there is a better system than the one we have at the moment, we ought to be prepared to consider the evidence—the evidence should be put before the public and the public, locally, should be given the final say in determining the model of local government, delivering their local services, for their area. The public have been excluded from that process.

The process started in Norfolk with a bid from Norwich city council for self-government. One was left with the clear impression that rural areas were an afterthought. Consideration of them was left until after unitary local government was provided for Norwich. To me, as an MP representing a rural part of Norfolk, that was wholly unsatisfactory.

I am conscious that there are some real challenges in Norfolk to do with economic development and, in particular, education, where our county has not been performing well enough. Some review of local government may be necessary in order to deliver the improvements that are so important for the future of our county.

Dr. Ian Gibson (Norwich, North) (Lab): For the sake of argument, many people in the outer parts—outside Norwich—are prolific users of the services in Norwich. In fact, Norwich picks up the tab for concessionary bus fares on services for many other parts of the county. Norwich is fighting hard to maintain services where people find it convenient to use them.

Norman Lamb: One reason why I was opposed to the unitary bid from Norwich was that I did not want local government structures to cut north Norfolk off from Norwich. People in north Norfolk see Norwich as the capital of the county. They often use services in Norwich because there are none in rural areas. For instance, when I have constituents who need advice on benefits issues, there is often not sufficient expertise in rural areas, although citizens advice bureaux do a good job, so they gravitate to Norwich. That is where many of the services for people in the rural parts of the county are provided.

My argument on public involvement is that there should have been a Norfolk convention to bring everyone together, both political parties and non-political players, to have a full discussion about Norfolk's needs, and that then the process should have resulted in a vote by the people of Norfolk.

My third point is that the result, as the hon. Member for Mid-Norfolk said, has been a monumental and scandalous waste of public money and a diversion of local authorities away from the core jobs that they are there to do. It is outrageous that interference from the centre has forced councils into a botched and incompetent process that has resulted in vast sums of public money being diverted into campaigns on each side of the equation to preserve positions. That money has not been spent on the people who need the support of local councils, and it is often the most vulnerable who suffer as a result of money not being available for them.

Mr. Steen: One of the extraordinary things about the debate on local government is not so much the consultation, which was appalling, but that the fact that people want to pay less council tax—they do not want to pay more—seems not to have been discussed at all.

Norman Lamb: I completely agree. I made a point about achieving better value for money. No one wants to pay more than is necessary for good quality public

[Norman Lamb]

services, quite apart from the fact, with which I am sure the hon. Gentleman would agree, that the council tax is grossly unfair and regressive.

This is a classic example of top-down, incompetent, politically driven meddling, which drives people crazy because they are not involved. The process has not been evidence-based; it has not involved the people; it has been a scandalous waste of money; and it ought to be scrapped straight away.

9.53 am

Angela Browning (Tiverton and Honiton) (Con): I am delighted to serve under your stewardship, Mrs. Humble. I apologise for my phone playing the "Flower Duet" from Lakmé a few minutes ago.

I am grateful to my hon. Friend the Member for Mid-Norfolk (Mr. Simpson) for securing a debate on this important matter. Although it is a dry subject, it has gathered the interest of people in my constituency and, I believe, across Devon. People write letters to the local weekly newspaper about it. They do not think that it is just something for the politicians to deal with, but feel passionately about it.

As we know, East Devon district council sought a judicial review to challenge what was happening. I shall quote from the determination of Mr. Justice Cranston on the matter. He found that in deciding that it could consult on only a single proposal—that is, unitary Devon—the boundary committee had

"misdirected itself as to what it could publish, consult on and propose to the Secretary of State".

What I would like to come out of today's debate is an explanation from the Minister as to why the boundary committee "misdirected itself".

The exercise has been a total waste of time, money and the passion of the public and the many district councils in Devon, such as the two district councils in my patch, which are doing a good job. East Devon, which sought the judicial review, is an exemplary council. It ticks the Government's boxes and is one of the few councils in the country that has not carried any debt for decades. It is extremely well run—of course, it goes without saying that it is Conservative-run.

I know that the Minister understands the issues very well. I went with delegations to see him when we went through a similar exercise just over a year ago. The proposal on the table at the time was that the city of Exeter should take itself out of Devon county and become a unitary authority. The way in which the exercise was managed gave me cause for concern.

The Minister was new in post at the time, and I believe that his experience in the Treasury probably helped to bring some common sense to the exercise, and the proposal was rejected. None the less, what particularly concerned me was that, despite the fact that the proposal was rejected, when I tabled parliamentary questions to try to identify just what the outcome was of the consultation—that is, who had wanted Exeter to be a unitary and who had not—I was denied the information in all kinds of spurious replies from the Government. It was almost as if the Official Secrets Act applied and there was such high security in the national interest that nobody could be told who was in favour and who was not.

We happen to know that an overwhelming majority of people were against Exeter becoming a unitary, for the reason that Devon is a huge, sparsely populated county. Torbay and Plymouth already have unitary status, so if Exeter were taken out, we would be left with a rag-tag, bobtail county that would struggle to provide services.

The Secretary of State should quickly intervene on a serious matter arising from the proposal that we recently considered, which is the one on which Mr. Justice Cranston commented that, in seeking to make further changes, the boundary committee "misdirected itself". Mr. Justice Cranston said that

"what must happen is that the Boundary Committee should consider with care whether it would be right to make further alternative proposals for Devon. If it were to decide that that course were appropriate, it would need to comply with the statutory requirements, including that under section 6(4) of consulting on such further proposals".

Again, I would like an answer from the Minister. In his judgment, should the boundary committee start all over again in the light of Mr. Justice Cranston's determination, or should it do the common-sense thing and, frankly, leave things as they are? It is clear from the previous consultation on the city of Exeter and from this latest fiasco that, on many counts, it would be unwise to change the status quo. Furthermore, there is an economic argument for retaining the status quo. It is certainly the view among the population of Devon who would be affected that the status quo is serving them very well indeed.

Mr. Streeter: I am following my hon. Friend's arguments carefully. Does she agree that one of the many mistakes made in this tortuous process has been the decision at the outset not to allow the boundary committee to consider whether Plymouth and Torbay should be part of the mix? They were excluded from the outset, which narrowed the options. Therefore, does she agree that it is right to conclude that the process should be scrapped completely and that people should be left to get on with delivering services?

Angela Browning: I totally agree. My hon. Friend and I were present with other Devon Members when the Electoral Commission came to the House to discuss how it was going to proceed. We asked its representatives many questions, and my hon. Friend's point about the position of Plymouth and Torbay was raised, as was the point about whether the commission could consider the status quo as an option. It ruled out all those options, so we know that its conduct of the consultation and the exercise has not only been detrimental to the people of Devon but cost a lot of money. It has considered not what any reasonable person would regard as a genuinely legitimate consultation in the interests of all Devon, but, as my hon. Friend the Member for Mid-Norfolk said, what is party-politically opportunistic for the party in power.

My constituency almost runs right around the city of Exeter; it once surrounded it entirely, which was a very comfortable feeling for me—*[Interruption]*—and for my constituency neighbour, the Minister of State, Department of Health, the hon. Member for Exeter (Mr. Bradshaw), with whom I have a most cordial

relationship. On the other hand, I have not, as the House will understand, been reticent in putting on the record my concerns about the carpet-bagging tendency of the city of Exeter, its council and its Member, because they have repeatedly tried to encroach on the rural areas that surround them. The reason why is clear for all to see: it is about Exeter, or, as has been written, the possibility of Exeter combining with the town of Exmouth, which is in the seat of my hon. Friend the Member for East Devon (Mr. Swire), who feels passionately about this but, unfortunately, cannot be here because he is abroad on parliamentary business. The concept of unitary Exeter, or unitary Exeter plus Exmouth, is purely party political. The figures presented to the Government do not add up to make Exeter viable on its own, and, if removed, it would leave the rest of Devon in a parlous state because of its rurality and sparsity.

Mr. Steen: My hon. Friend referred to the meeting between the electoral commissioners and Devon Members. The commissioners did not say that they could not entertain any possibility of Plymouth or Torbay authorities being widened, extended or disbanded; they had been directed by the Secretary of State to exclude any such possibility. That is the point that the Minister must deal with. Why were the commissioners told that the authorities had to be left alone?

Angela Browning: I am grateful to my hon. Friend for that intervention. His memory of that meeting, which was a while ago, is much clearer than mine. I remember that the issue was raised but ruled out of court, so he is quite right. In fact, towards the end of the meeting, the discussion hardly seemed worth while, because what the commissioners would or would not do was so narrowly defined. There was no real consultation in which Members could put forward their views, and we all left the meeting feeling that our views did not count for much at all. Whatever view we wanted to discuss was immediately ruled out of court, because it was outside the parameters within which they were going to work.

People talk about Devon, and many people know it because they visit the area occasionally, but I want to put on the record the democratic deficit in Devon. If the unitary proposal were to go ahead, there would be a huge democratic deficit and Devon's democratic representation would be the worst in the country, with a proposed 100 elected councillors representing 740,000 people—that is, 7,400 electors per councillor. Currently, Bristol has the poorest level, with a ratio of 5,900 electors per councillor. But, in a sparse area, which includes two national parks, representation is not just about numbers; it is about geographic spread, and that is at the heart of our objections to the proposal. There are financial reasons and there are the views of the local population, but the resultant democratic deficit in Devon would be the worst in the country. The distance between electors and decision makers would be most keenly felt in rural communities. People talk a lot about communities today, but rural communities know what community means in its truest sense. People in counties such as Devon like to know whom they elect—their councillors and their Members of Parliament; it matters to them. The divorce of democratic representation from the electorate would be more keenly felt in Devon than in probably any other part of the country, although all rural areas would, I am sure, make the same case.

The party political imperative of the proposal is there for all to see, and it is not a very attractive sight. It is quite appalling for power to be used in that way. The Electoral Commission has clearly messed up big time, so the Minister should intervene, call the dogs off, leave the status quo as it is and let the people of Devon get on with things. That is what they want.

10.5 am

Mr. Charles Clarke (Norwich, South) (Lab): I shall start by stating the points on which I agree with the hon. Member for Mid-Norfolk (Mr. Simpson), who secured the debate. I agree with him and others who believe that the boundary committee has made a mess of the issue. He correctly reported me as being very angry with the way in which the first recommendations emerged, and a set of serious issues is involved. I am surprised by that, because I have a high regard for the commission. Over the years, it has performed its functions professionally and effectively, and, therefore, I felt confident that, when the Secretary of State asked it to conduct the process, she was right to do so. Its terms of reference and approach were right, but I was surprised that the boundary committee did not conduct it as effectively as it needed to. That is one point of common ground with the hon. Gentleman. There is, to say the least, an unfortunate set of issues, and they have led to a number of serious problems in relation to the up-hill, down-dale considerations that all our public elected authorities are having to go through on these questions.

I am afraid that that is where the common ground ends, however. It is absurd to claim, as several Opposition Members have, that the issue is all about party political considerations. Unitary local government has become the pattern throughout the whole country—in Scotland, Wales, the former metropolitan areas and, now, an increasingly large number of non-metropolitan areas—irrespective of any party political issue and for very good reasons. The first reason is coherence. Often, there is an incoherent relationship between district and county councils on important matters such as planning and transport, and it inhibits their ability to represent people properly. It runs through basic services such as planning and transport and through issues such as recycling and waste, and all kinds of contradictions arise in various circumstances, so that, on accountability, cost and coherence, it would be far better to run a unitary structure.

I alluded to the cost argument when I intervened earlier on the hon. Gentleman. It has to be acknowledged that, in the longer term, the cost of a unitary system is less than that of a two-tier system, simply because a large variety of functions that are duplicated in the district and county authorities are no longer duplicated in a unitary system. The cost issues are clear in the long term. The hon. Gentleman is right, however, to raise the point that the Treasury will be concerned about the pay-off period for the costs of the change itself, and about how long payback will take before the benefits of a unitary system are established. The Treasury is addressing precisely that issue and, I am sure, is in dialogue with my right hon. Friend the Minister and his colleague the Secretary of State. The point that a unitary authority is more cost-efficient in the long term is hard to argue against, and I also argue in that way on the democratic deficit point. By the way, I do not accept the argument

[Mr. Charles Clarke]

made by the hon. Member for Tiverton and Honiton (Angela Browning), much as I love her, that rural areas have a greater sense of community than urban areas. Urban Norwich in my constituency has a strong sense of community, as there was when I lived in the London borough of Hackney, where I was a councillor and there were strong local communities. I acknowledge that the characters of those communities are different, but my constituents are no less desirous than hers of having councillors whom they know and who are accountable to them for what they do.

I accept the hon. Lady's point that people want councillors they know and clarity about how functions are carried out and decisions are taken. I also agree—I have argued this in different areas—that the structure of local government finance makes it difficult for individual citizens to understand how services are delivered in a way that is relevant to them. That is a case for a much more sweeping change than we are discussing this morning.

One problem is confusion between the role of a county councillor and a district councillor in relation to the services that they provide. The average constituent is not entirely clear about which councillor has responsibility for which service—education, social services, transport, housing and so on. A virtue of unitary local government is that it provides more coherent and democratic representation for the people whom we seek to represent.

A good example in Norwich is the development of the Greater Norwich development partnership, which my colleagues from Norwich who are listening to this debate know about and are engaged with in a variety of ways. The dealing between different authorities on obtaining the necessary agreement for serious, long-term plans for the future is made more difficult because we have a two-tier system rather than a single-tier one.

I rest my argument on the case for unitary local government. It is a powerful case that is widely accepted and is not party political. I acknowledge that the question of what is the right form of unitary local government for Norfolk—and for Suffolk and Devon, although I am not familiar with the issues—is a difficult question. It is not straightforward. It is straightforward that a Greater Norwich is the right unitary structure for my part of the county of Norfolk, but I acknowledge that for my colleagues who represent other parts of the county there are different arguments about how to approach the matter. Those arguments must be properly assessed, and the boundary committee was charged to do that and to assess the alternatives from the point of view of feasibility of the options—the mandate did not require a unitary solution come what may—and to recommend the best one.

I regret the way in which the boundary committee's work has gone. The Secretary of State had no choice but to extend the time, and that was right, but we must stick to what I think will be a superior form of local government for the citizens of Norfolk. That is why I support the Government in their approach and why they should be rigorous in going through the thinking necessary to evaluate the choices. I am confident that a better solution will eventually emerge for local government in the county of Norfolk than what we have at the moment.

10.13 am

Mr. Richard Spring (West Suffolk) (Con): I add my warm congratulations to my hon. Friend the Member for Mid-Norfolk (Mr. Simpson) on making the case so admirably. Obviously, I speak on behalf of Suffolk residents.

In February 2008, the boundary committee began a structural review of local government in Suffolk, and came up with two proposals, including excluding Lowestoft from Suffolk, of which it is historically part, and including it in a different area. Another option was a one-Suffolk proposal for a unitary authority covering the whole county. As we have reflected on the proposals, it has become clear that the result would be unwieldy, undemocratic and frankly remote from my constituents in the western part of the county. We know all too well the cost when the Government decide to reorganise elements of our national life.

My hon. Friend the Member for Mid-Norfolk referred to the national health service. When I became a Suffolk Member of Parliament in 1992, we had two health authorities. We then acquired five primary care trusts against all the local advice. That number then fell to three and then back to one. We had an extraordinary magic roundabout of huge costs, closed buildings, additional construction and pay-offs for individuals with golden goodbyes. All that was a huge cost for taxpayers, and I remain to be convinced that changes in the structure of taxpayer-funded bodies have added anything substantially or materially to the welfare of the people whom they are supposed to serve.

I have witnessed huge structural changes in the delivery of services while I have been a Member of Parliament, and the disruption for staff, services and local people has been wholly disproportionate to any benefits accruing from the restructuring. That will happen again if the unitary bid is successful. The up-front costs are huge, staff will have to be paid off or relocated, buildings will have to be bought and leases will have to be terminated.

It has been estimated that the cost of transition and implementation for the one-Suffolk option, which would be an enormous unitary covering the entire county, would be at least £25.5 million, and I am sure that that is an underestimate. As my hon. Friend has said, people are being asked to pay more in taxation for less representation without being properly consulted in first place. It is difficult for many of my constituents to understand and accept that. The people of Suffolk simply want the Government to listen, but they have not done so. Local residents want their councils to focus on service delivery and to keep the council tax as low as possible.

I have made it clear from the outset that people are familiar with the existing structure and tiers of local government in Suffolk. There is no appetite for change, yet the status quo was never an option during the wholly flawed consultation process. The consultation on the draft proposal ran from July to September 2008, when the boundary committee invited views from anyone who wanted to express them and held some meetings with stakeholders, but there was no overall comprehensive attempt to canvass the views of the public, and I say that with real passion and irritation. If there were a referendum tomorrow, the proposals would be thrown out. The majority of Suffolk residents do not support

any of the options recommended by the boundary committee, despite the criteria that any successful unitary proposal must meet, including

"a broad cross section of support".

I am firmly against any change, but if it goes ahead, I hope that we shall end up with something equivalent to an east-west Suffolk split, which would at least have some historical precedent, and a west Suffolk council would at least have some relationship with the towns in my constituency such as Haverhill and Newmarket, which are quite remote from Ipswich. That proposal, which was supported by five district councils during the initial concept statements that they submitted, was completely ignored. That is incredible. It would have been reasonable to expect the draft proposal to contain at least a critique of an east-west split, but there was little mention of that idea in the draft proposal. The matter has been raised at meetings, but satisfaction has not been achieved. It is ironic that the committee has said that it is listening, consulting and considering the proposals with no comprehensive dialogue. The whole review has been an absurd exercise and a waste of taxpayers' money.

In response to a parliamentary question, it was revealed that the review in Suffolk had cost £218,757 since March last year. Taxpayers are therefore footing a bill of £5,000 a week. Salaries account for £109,948, in addition to consultants' fees, financial consultants, printing, mapping, couriers, staff training and so on. That money should be invested for the benefit of the whole county for services such as education, transport and even health at a time when there is clearly considerable stress in the provision of those services that people want.

I welcome the news, but the saga of the announcement of the delay in Suffolk has been distracting for our councillors and council officers for more than a year already. Of course there are benefits to be gained—I absolutely accept that—from more joint working among existing councils. That could be extended. Indeed, that is taking place and is something to be encouraged. We could do more to enhance two-tier working without the loss of democratic accountability that would result from unitary status in an area as large and diverse as Suffolk. Wholesale local government restructuring is simply unnecessary to achieve it.

The county of Suffolk is the eighth largest authority by geographical area in England, covering 3,800 sq km. My constituency is a large chunk of that. This is important because people want to have a sense of ownership of local services provided locally and they want to have a sense of local accountability for those services, which cannot be provided by a distant unitary model. From talking to people in my constituency and from the many letters that I have received, it is clear that people are unconvinced that big is better. In fact, the legacy of the present Government will be a widespread increase in centralised decision making.

I am pleased that the Secretary of State has again agreed to a delay. I hope that the proposals are now kicked into the long grass for good. The Government's tinkering with local government structures is in nobody's interest. It is simply a case of change for change's sake.

10.21 am

Mr. Richard Bacon (South Norfolk) (Con): I am pleased to have the opportunity to contribute to the debate, to congratulate my hon. Friend the Member for Mid-Norfolk (Mr. Simpson) on securing it and to endorse the last comments of my hon. Friend the Member for West Suffolk (Mr. Spring). He said that it is a mistake to think that big is necessarily better. That speaks directly to the points made by my constituency neighbour, the right hon. Member for Norwich, South (Mr. Clarke), when he adduced arguments of both cost and coherence. At least he had the grace to admit that there would be an up-front cost and that there was a discussion to be had about the payback period. That point was made by several of us in the previous debate on this issue.

Indeed, I endorse the comments by my hon. Friend the Member for Mid-Norfolk about this feeling like a trip down memory lane. It reminds me of Yogi Berra, the baseball star of the New York Yankees, who said, "This is like déjà vu all over again", not just because the subject of the debate is local government, but because of the Minister who is responding to it. The first time that I came across him was in this Chamber, when he was again trying to defend the indefensible—the actions of another Secretary of State, the right hon. Member for Sheffield, Brightside (Mr. Blunkett), in relation to an adult training scheme. It seems to be his lot in life to have to go round picking up the pieces after various Ministers above him have made a complete mess of things. That was one of those cases of "Never mind the quality, feel the width." Someone—perhaps it was even me—quoted Stalin, saying that quantity has its own quality. The headline in that case was that the 1 millionth individual learning account holder had been secured, never mind that there was fraud all over the place.

In this case, I have my doubts about the argument of the right hon. Member for Norwich, South about size. After all, when he was trying to push through the police constabulary changes, it became apparent that one of the best constabularies was also one of the smallest—Gloucestershire. It had some of the best indicators in terms of value for money, but also in the degree of compliance with its key performance indicators and acceptance by the public.

Mr. Charles Clarke: Will the hon. Gentleman accept that in my intervention earlier I did not mention size? I think that there are arguments about size to be had, but I did not make the case about size. I made the case, as he said, about coherence and cost. I do not in general believe that bigger is best; I do in general believe that to have one authority providing all the services in a locality is better than to have two or three different authorities doing that.

Mr. Bacon: I accept that the right hon. Gentleman did not mention size, although he did refer to Greater Norwich, and Greater Norwich would of course be bigger than the present Norwich and would involve quite a lot of parishes in the north of my constituency going into Greater Norwich. They do not want to be part of Greater Norwich. They do not want to be part of Norwich city council, not least because their council tax would probably go up by about 50 per cent. from the already considerable level that it has reached in recent years after many years of Liberal Democrat control of the district council, but also because it is not clear to anyone that Norwich city council knows how to run a bath. Until that becomes clear, no one—no one

[Mr. Bacon]

with any sense, at any rate—seems to think that it should be given responsibilities additional to those that it already has.

I do not want to take up much more time, but I want to make two final points. One concerns the relationship between the Department for Communities and Local Government and the boundary committee. My hon. Friend the Member for Mid-Norfolk mentioned that the committee did not seem to realise that it could have come up with other options than the one that it did, which speaks to an extraordinary lack of communication between the Department and the boundary committee.

That was made even more manifest in a letter that the Minister wrote on 9 February 2009, which is worth quoting at length. In it, he says that

"the Secretary of State made the request for advice, accompanied with Guidance to the Boundary Committee on 6 February 2008"—

just over a year ago. He goes on to say:

"We included the term 'in aggregate' in the request to make clear that any alternative proposals for unitary local government must have the capacity to meet the five criteria across the specified area. The February 2008 request for advice was quite clear in its terms. If the Secretary of State had intended that each part of the proposal had to meet the criteria independently, then she would not have needed to specify that the proposal in aggregate had to meet the criteria as well. If each part of the proposal met the five criteria it would follow that the proposals for the county area as a whole would too. I set this out clearly to the Chair of the Boundary Committee in correspondence I copied to him in March 2008."

This is the extraordinary part. The letter continues:

"We then had no indication that the Boundary Committee might be taking a different approach until we saw the financial information published by the Boundary Committee on 21 November 2008. Having considered that information"—

this goes back to my point about the unfortunate Minister having to clear up after various Secretaries of State—

"it was not clear to the Secretary of State that the Committee was approaching the assessment of alternative proposals on the basis she had envisaged."

We are supposed to believe that from February or at least March 2008 right up until 21 November, the boundary committee thought that it was doing one thing and the Secretary of State thought that it was doing another, so for eight or nine months she had not realised that it was not doing what she thought it was doing. It is no good the Minister saying—if he does respond by making this point—that the boundary committee is independent. Of course it is independent. The Electoral Commission is independent. That does not mean that it does not have constant discussion with political parties. The National Audit Office is independent. That does not mean that it does not have constant discussion with the various Departments and Executive agencies that it is auditing; it is in dialogue with them all the time. It is extraordinary that that miscommunication could have been allowed to sit there for nine months. Such confusion between the Secretary of State and the boundary committee is inexcusable. I hope that the Minister does not try to defend it; it is indefensible. The best thing that he could do is simply apologise.

My final point is about the financial condition of this country. We have just heard that the Treasury tax revenues for the month of January are £7 billion below where they were expected to be, compared with last year. Of course, that will have an impact on local government. It can hardly not, when 75 per cent. of the revenues for local government come from the centre. Local government itself has considerable financial problems. I sat down with the chief officers of South Norfolk district council only a few weeks ago, and it was evident that on any number of fronts, the income stream of the district council was being adversely affected. I am sure that the same applies throughout the country. Planning fees are down. Goodness knows council tax income will probably be lower as more people are unemployed and claiming council tax benefit. There are any number of ways in which local government, through its own income, will be suffering financially.

Even if the right hon. Member for Norwich, South is right about the proposal—I doubt that he is—he at least acknowledged that there was a discussion to be had about the payback. We so often hear about proposals for restructuring and for churning local government and, indeed, central Government structures as though it is the structure and the change itself that produces the benefit. Sir Michael Barber, in his book on the Prime Minister's delivery unit, "Instruction to Deliver", says that what matters most is not the structure, but routines and good working relationships, and that is exactly what we have with joint working. My hon. Friend the Member for West Suffolk was right to say that that could be extended. It is being extended, and it is working quite well. It could work better. Relationships between planning and transportation at county level and district council planning departments are getting better. They know each other; they know their responsibilities; they know how they interact. That can certainly be developed without a huge up-front cost, for which the payback will potentially be over many years.

The best thing that the Minister could do, after this Horlicks that has been going on for several years now, is gracefully withdraw and acknowledge that now is not the right time to be pushing forward these proposals.

10.29 am

Julia Goldsworthy (Falmouth and Camborne) (LD): I congratulate the hon. Member for Mid-Norfolk (Mr. Simpson) on raising this issue. Listening to the debate has made me think of the last year or so that I have spent covering local government and reminded me—I am sure that the Minister will sympathise when I say this—that the real danger for those of us covering such issues is that we get sucked into discussing only local government structures and finances and acquire a pointy head. There is a risk that we miss the bigger picture, which is ultimately about the people who consume public services and benefit from their delivery. From the comments that we have heard today, it seems that the only thing that is more disruptive than reorganisation is the threat of reorganisation. Authorities turn inwards on themselves to consider the issues, but they do not stand to benefit from the changes that might derive from any local reorganisation.

There have been failures in the process. As a result, we have not only introspection, but further delays. Until a few weeks ago, people in all the areas affected thought that they could have elections to a new authority as early as June, but those have now been put off again. The threat is that people will lose faith in the whole political process and think, "What is the point of elections?

There are going to be local elections in June, but we don't know how long the local authority will exist." There is a lack of certainty.

From the point of view of people working in local service delivery, the appeal of looking purely at structures is even stronger. I took part in a New Local Government Network conference, where I sat on a podium with representatives from the health and police sectors. We talked mainly about how to improve local accountability for public service delivery, but what struck me was that they were vehemently in favour of unitarisation across the country. They said that it would be much easier to deliver public services if those involved knew that they were working on the same boundaries, but that missed the whole point. Coherent boundaries might be more convenient for people working in the police and health sectors, but those who receive services on the front line just want to know that they work, not whether the boundaries completely match up. That is the approach that my colleagues and I take: there should be no dogmatic presumption for or against changes to local government structures, as long as they provide people with improved services. Bigger is not always better, but we must not presume that smaller is always better either.

What stands out for me—I am sure that other hon. Members will have had similar experiences—is that changes can create duplication, even where there is co-operation. Let me give an example. A road runs along Falmouth beach, and the town council is preoccupied with ensuring that it is regularly cleaned because that is where most of the tourists go. However, responsibility for cleaning it lies with the county council. Cornwall county council therefore gives a pot of money to Falmouth town council, which then subcontracts the cleaning of the road to Carrick district council. That arrangement is fine, as long as it works, but it did not work. Somebody came to me and said, "The road's not being cleaned. Can you help me sort it out?" I ended up going round in circles about three times before somebody would accept responsibility and make a commitment to resolve the issue. Such issues need to be addressed, and local government reorganisation might be able to address some of them.

Unlike the hon. Member for West Suffolk (Mr. Spring), I am not against all change in any form at any time.

Angela Browning: Cornwall has, of course, already become a unitary authority. Is it not the case that its transition costs have already trebled to £60 million?

Julia Goldsworthy: What I do know is that, in the first year alone, the new authority will save £2 million a year simply from the chief executive's offices, so there is the potential for substantial savings. Ultimately, however, this is not just about money; it has to be about improving service delivery. I supported the unitary proposals in Cornwall because I felt that they were the first step towards giving people a stronger voice and getting more powers for Cornwall. The limitation of the Government's proposals is that they are purely about changing the structure and do nothing about changing the powers.

The proposals that we are discussing demonstrate that the Government do not really know where they are going. The initial proposals were from more urban areas, and the Government acknowledged that simply pursuing those would have implications for the rural hinterlands, but they do not quite know what to do about that, so we have a sense of prolonged uncertainty. The Government have missed the big picture. They have been quite clear about how they see the city region structure working and about how it could give larger cities and their immediate commuter hinterlands greater powers, but they have no idea how an equivalent process would work in rural areas. That is the dilemma being played out in Devon, Norfolk and Suffolk. The reason why that is causing so many problems is that the Government do not have a vision of what the rural counterpart to city regions is. As a result, many rural areas are being left in limbo.

Another problem is that the Government's focus is entirely on cost-effectiveness, which is, of course, important, but it should not be the sole determining factor. In the cases that we are discussing, there is a strong argument that the time spent investigating the various proposals and deciding to delay a further decision is a huge waste of resources and undermines the Government's case for the need for cost-effectiveness—a huge cost has obviously been involved just in considering the change.

Clearly, there have also been failings in the consultation process, and that is symptomatic of some of the unitaries that will come into existence on 1 April. What made things difficult in Cornwall was the fact that the time scale was so tight that it was not possible to consult the public in the way that many people would have liked, and that has caused the new authority problems. In Devon, Norfolk and Suffolk, things are almost the other way round: the way in which consideration of the proposals is being drawn out and the lack of certainty make it difficult for people to understand exactly what is on the table and when—or, indeed, if—they will have a new authority. That is causing huge problems.

To draw on points that other hon. Members have made, there have been problems across the board in Cornwall with including parishes in the decision-making process. The implementation executive in Cornwall has representatives from the district councils and the county council, but there is only one representative—the chair of the Cornwall Association of Local Councils—from all the parish councils in Cornwall, and she has only observation rights. We are talking about a process in which councils are expected to push more powers down to a local level and to ask town and parish councils to take on greater responsibilities, so it is completely ridiculous that parish councils are not allowed to participate in a discussion of what form those responsibilities will take. That experience has probably been mirrored in Devon, Norfolk and Suffolk, and it is very difficult to deal with the issues involved when the goalposts keep moving.

Other concerns that have been raised concern the extent to which the new authorities and the new ward sizes relate to real communities. There is a question about how effectively a councillor in a rural area could represent 7,000 individuals, which is the case in Devon, as the hon. Member for Tiverton and Honiton (Angela Browning) said. The scale is similar in Suffolk and Norfolk. It is suggested that there could be one councillor per 5,000 voters in Suffolk and one per 9,000 in Norfolk, if Lowestoft is included. It is obvious that there would be a democratic deficit, which would not help voter engagement with the authority that delivers the services.

[Julia Goldsworthy]

The biggest frustration for me is the lack of ambition. The proposals are a missed opportunity. The initial invitation went out to councils that were interested in becoming a unitary authority, but such a process is purely about reorganising services—it is not about greater ambition for local authorities. As the right hon. Member for Norwich, South (Mr. Clarke) said, why not open a discussion about local government finance? If we truly want to empower local communities and local authorities we must talk about their powers and resources—not purely the boundaries within which they operate. There is an opportunity to be more creative, which would be of real value in a downturn. I strongly believe that the organisations in the best position to respond to the downturn are the most local ones. The present time is a prime opportunity to give them greater powers.

The biggest disappointment, as I have said, is that the Government have missed an opportunity for innovation. The entire process is in danger of stifling any success that we might have seen.

10.40 am

Robert Neill (Bromley and Chislehurst) (Con): I add my congratulations to those of other hon. Members on your presence in the Chair, Mrs. Humble, and on keeping us in order almost all the time. I also congratulate my hon. Friend the Member for Mid-Norfolk (Mr. Simpson) on initiating the debate. He is persistent in raising the matter for the third time in the interest of his constituents. I am grateful to him, and I know from my visits to Norfolk that his constituents are grateful as well. It has struck me on my visits to all three of the counties that we are concerned with that there is frustration and exasperation about the handling of the matter. Neither the Government nor the boundary committee for England comes out with any credit.

There is a book by two well known academics, Michael Chisholm and Steve Leach, which I am sure the Minister has, like me, read—he sighs, because he knows it is not exactly complimentary; it is called "Botched Business". That term is a polite summation of what has happened. What we have heard from hon. Members is compelling evidence of a farce of misunderstanding—I was tempted to say of black comedy—between the Department, and the Secretary of State must take personal responsibility for that, and the commission. The issue has been ill handled and the question of conducting any sensible debate, as suggested by the right hon. Member for Norwich, South (Mr. Clarke), has been made impossible by the way it has been dealt with. A disservice has been done.

I work from the premise, as did, I think, Mr. Justice Cranston in his latest judgment in the East Devon case, that the process should be driven by the evidence and that the decision should be evidence-based. It should be based on evidence and an adherence to the five criteria, which he restated in the judgment, and there should be a proper and adequate consultation, which he found had been lacking in the Devon case and the preceding cases.

The Government already stand condemned. They are fortunate that Mr. Justice Cranston decided that it was premature to intervene at this stage, because if one reads behind the headlines of that decision the findings of fact are damning. My hon. Friend the Member for South Norfolk (Mr. Bacon) referred to extraordinary confusion, and that comment is reinforced by Mr. Justice Cranston's judgment, in which he points out that at the very beginning of the making of requests in relation to the three counties, as would naturally be expected, preliminary discussions were held between officials of the Department and the Boundary Commission. Why on earth the extraordinary confusion was not picked up at that stage beggars belief. It raises questions of the basic competence of those responsible, politically and administratively. That farce was compounded by the Secretary of State's U-turn about what was meant by an aggregate. Having started by saying that the criteria should be considered in aggregate, she had to explain herself and say that "aggregate" did not mean aggregate, but capacity. That did no service to sensible government.

The criteria are not met for the other issues that are raised. The democratic deficit was mentioned by practically every hon. Member. The fact that the counties in question are large and rural makes that worse. In addition, the question of cost has allegedly been at the forefront of the Government's consideration, but the relevant formulations have been comprehensively destroyed. Professor Chisholm and Mr. Leach effectively destroyed them in "Botched Business". In previous debates the Minister has rejected their figures, but the subsequent evidence proves, if anything, that not only were they right, but they may have underestimated them.

I shall present two figures to the Minister. As has been pointed out, the unitary bid for Cornwall estimated transition costs at £19 million. Professor Chisholm suggested that they would be more—about £28 million. The Minister pooh-poohed that in a previous debate. In fact, the One Cornwall transition costs have just, in a public document made available to the implementation executive, come out at £42.5 million. Northumberland was in the previous tranche of six, and the Minister himself has had to write complaining that rather than producing a saving, the new unitary council has produced a £10 million deficit. The Government's own figures on cost are incredible and the methodology used by their independent financial advisers is discredited. A future Conservative Government will place no reliance on it.

My hon. Friend the Member for Brentwood and Ongar (Mr. Pickles) was said to keep a pearl-handled revolver in his cupboard to use on anyone who mentioned local government reorganisation to him. When he left the shadow team for his current job he left the revolver behind, and my hon. Friend the Member for Meriden (Mrs. Spelman) and I know exactly where it is; so anyone who is tempted to think of applying for a lucrative post within a unitary authority should be on notice that, if the legislative process is not finished, our incoming Government will stop it and will ensure that there will be no more nonsense of that kind in the future. It is possible to achieve cost savings, and I take the point that has been made about the importance of achieving them. However, the irony is that of the councils in question, Norfolk has an excellent shared services agreement, which has been in place for some time, that highlights how costs can be saved by joint working, and Suffolk has a pathfinder scheme for joint working that has achieved beacon status. Why on earth not let those excellent systems of collaboration run their course, rather than interfere with them? "If it ain't broke, don't fix it" is a maxim well worth remembering in politics.

Secrecy is another matter of concern that has been raised in relation to costs. My hon. Friend the Member for Tiverton and Honiton (Angela Browning) explained her difficulty in getting information from the Department. She is not alone. Although the Department has sought to rubbish the figures given by Professor Chisholm and his colleague in "Botched Business", it has never issued a rebuttal, and it has declined at least two freedom of information requests in addition to that from my hon. Friend: one from the late hon. Member for Crewe and Nantwich, Mrs. Dunwoody, and another from those distinguished academics. What have the Government got to hide? The methodology on which they rely does not hold water.

I shall conclude, because I want to give the Minister ample time to reply. The criteria, whether they are taken individually, on aggregate or as a matter of capacity, are not met in any of the relevant cases. The idea that large rural counties can meet the democratic requirement with 100 councillors per 700,000 is regarded by most people as ludicrous. It might be worth remembering why in many continental countries local government is in better health, and there is far more local pride in it. It is because often the units are more coherent and are closer to the individual. Generally, as it happens, they are two-tier as well, but joint working and procurement are the norm. Perhaps there is a lesson that we should take from that.

The concept that we are discussing is fundamentally flawed, as are the particular proposals and the process. The criteria are not met. There is no clear cross-section of support as was required, and, as several of my hon. Friends have said, it is a bizarre priority in the middle of a recession. The Minister should stop it now, because if he does not, we will. If he will not take it from me, may I give him a gentle hint from an independent source? Judges of course would never dream of telling Ministers what they should do. However, sometimes, in their judgments, as experienced and sophisticated people, they can give a subtle hint. At the very end of his judgment in the East Devon case, Mr. Justice Cranston quoted, in the last paragraph, what he described as "a significant passage" in a letter from Councillor Sara Randall Johnson, the leader of East Devon council, in which she said that leadership

> "brings with it an understanding or acceptance that concerns are shared and understood and that the leaders are not so far removed from those that they govern that a sense of alienation and disempowerment or irrelevance is experienced. On this basis it is my genuine belief that a unitary County Council would be too big and too remote to provide effective leadership".

The judge then said:

> "In my view, all these matters deserve the closest attention of both the Boundary Committee and the Secretary of State. For East Devon, Councillor Randall Johnson is in a sense the most important consultee, elected by constituents, and then by her colleagues to be leader of the council. I hasten to add that there is no reason for me to think that her response will not attract that attention. But I make these remarks because of what I said at the beginning: this is an area where legal sensitivity to meaningful consultation is heightened—the future of local, representative assemblies is at stake."

That is a subtle but clear judicial hint. I urge the Minister to take the hint and pull the plug.

10.50 am

The Minister for Local Government (John Healey): I congratulate the hon. Member for Mid-Norfolk (Mr. Simpson) on securing the debate. He has certainly been persistent in pursuing his argument, through debate in the House and letters to the Department—and in the queue in the Tea Room. I note that he has marshalled his battalions for this debate in bigger numbers than in previous debates, and I congratulate him on that. I am grateful to him for not doing so in the corridors, where he often ambushes me—but perhaps I speak too soon.

I recognise the high level of interest in the subject, and the concern in some quarters about the process. I also recognise the uncertainty that it creates for local government staff. I am keen to ensure that we put an end to the process as soon as we can. However, because of what is at stake, I must be up front about it and say that I am not prepared to walk away from the process, as it has the potential to offer real benefits for his constituents and for the residents of Norfolk, Suffolk and Devon.

The debate is timely—it is the third of a series—not least because we recently agreed a new deadline for the boundary committee to advise Ministers, and because we are only weeks away from the implementation of nine new single-level councils in other parts of the country. In those areas, it is becoming clearer what the general benefits of unitary councils can be. I have to tell the hon. Member for Mid-Norfolk—and the hon. Member for Bromley and Chislehurst (Robert Neill), given what he said at the end of his speech—that we are considering the proposals only because they were originally submitted to us by elected councils and the elected leaders of those councils of the areas concerned. Unlike previous reorganisations of local government, it is not centrally driven by the Government or a blueprint devised at the national level and imposed locally.

Mr. Keith Simpson: Does the Minister accept that, for Norfolk, the district and county councils preferred the status quo but that they were informed that that option was not on the table? Indeed, it was implied that, if they did not put forward proposals, they would be in trouble. The Minister's is a false argument.

John Healey: No change has always been an option. If no decision is made to change, no change is clearly what remains.

In terms of the accusations and arguments about political opportunism, if the hon. Member for Tiverton and Honiton (Angela Browning) were to speak about Northumberland to my colleagues in the House or in local government, many of whom have served on Labour councils that will end on 1 April, she will understand that it is not a question of political opportunism. Looking across the country, we took our decision because we believe that it will lead to better local governance.

The economic downturn has been mentioned. Reports of the councils that come into being on 1 April consistently say that they are able to manage the current pressures of the downturn better as a result of the reorganisation and not despite it. It has been said that it will cost a lot and save little, but evidence emerging from those councils belies that argument, as it does for doubts about value for money, better control of council tax, improved

[John Healey]

services and clearer accountability. The evidence is increasingly against those who argue for no change. The arguments are increasingly in favour of the general benefits of having a single level of local government, as my right hon. Friend the Member for Norwich, South (Mr. Clarke) clearly set out.

If the Opposition could, they would stop the process in its tracks. Without prejudging the boundary committee's proposals, and having taken account of all the representations that we have received, there are some decisions that we will probably take. If an order is made to implement a restructuring proposal under the powers in the Local Government and Public Involvement in Health Act 2007, it cannot be revoked by another order. As a matter of law, a power to make an order normally includes the power to amend or revoke it; that is the effect of section 14 of the Interpretation Act 1978. However, the implied power to amend or revoke does not apply when such a power would be inconsistent with the statutory framework under which the order is made.

Because part 1 of the 2007 Act sets out a detailed process under which the Secretary of State makes her statutory decisions and does not provide any basis for reopening that decision once made, the implied power to make an order to revoke or amend the earlier order does not apply in this context. That would mean that any orders made under the 2007 Act and approved by Parliament to establish unitary local government could not be revoked by secondary legislation; it would require primary legislation. I want to make the legal position clear to the House.

Increasingly, the compelling case is not to stop such reforms. I was in Northumberland last week, and creating a unitary council there would mean that about 60 highly paid senior posts will go, leading to an annual saving of more than £4 million per annum. It will mean that central bureaucratic and administrative council staff will be reduced by 200 people, saving £7 million each year. If there were a move to one or two councils in Devon, Norfolk or Suffolk, are Opposition Members seriously saying that they would not want to see such savings and the benefits that would result from using that money to improve services or keep council tax down?

On the question of costs, I hope that Opposition Members are asking challenging questions about the cost of the legal process being pursued by some councils. Last week, we were in the Court of Appeal for three days; there were five QCs, five junior counsel, numerous instructing lawyers, and public officials from local and central Government. One local paper estimated that Breckland council's legal costs for that legal challenge mounted to six figures.

Mr. Keith Simpson: But you were guilty.

John Healey: In fact, the judgment was entirely helpful in confirming exactly the advice that we set out on 6 February 2008 about how the boundary committee should conduct its process—and that is what it will do. *[Interruption.]*

Mrs. Joan Humble (in the Chair): Order. I remind hon. Members that interventions should not be made from a sedentary position.

John Healey: I return to the general case for a single level of councils, and will try to do so in the least partisan way. For instance, without a move to unitary local government, and being able to make savings of £10 million this year, Conservative-controlled Shropshire council's budget for next year would have required a 9 or 10 per cent. increase in council tax or savage cuts in services. Instead, the new authority has been able to recommend a zero rise in council tax. It says that restructuring is helping it to manage better the current pressures of the economic downturn.

Liberal Democrat-controlled Cornwall council will have an average increase in council tax next year of 2.6 per cent.—the lowest council tax increase in the area for some years. I was in Labour-controlled Durham last week, and saw the call centre where staff will be operating the single number for local residents to gain access to all council information and all council services. The increase in average council tax in Durham is 2.9 per cent., with a cut in some areas. Those are some of the benefits that a single unitary council can bring to local people, alongside better leadership and arrangements for ensuring that local people are better involved in decision making. Until we have received the advice, or the deadline for that advice has passed, we have no powers.

Scientific Procedures on Animals (Statistics)

11 am

Bill Etherington (Sunderland, North) (Lab): May I place on the record my appreciation to the Speaker for allowing this debate at rather short notice and for giving us a one-and-a-half-hour slot? That will give many of my colleagues the opportunity, should they so wish, to put forward their views.

I am very pleased to see my hon. Friend the Minister in her place, because in many ways she is more responsible for the debate than I am. On 4 February, when members of the all-party group on FRAME—fund for the replacement of animals in medical experiments—met her, she told us, to my surprise, how few parliamentary debates on animal welfare in scientific research there have been. She also pleaded for the debate to be held soon, because time was of the essence—it will not be long before she must go missing to deal with the new arrival. We have kept our side of the bargain, and she now has her opportunity.

I also pay tribute to Jenny Gowan, from the British Union for the Abolition of Vivisection, and to Stacey Friar and Barney Reed, from the Royal Society for the Prevention of Cruelty to Animals, for giving me their thoughts. They spent a lot of time with me yesterday—the timing of this debate has not been ideal, because of the recess last week and because I was away in Strasbourg for three days, so I had to cram everything into yesterday in dealing with this matter.

It is nice to be speaking from this position. I think back to 1994, Mrs. Humble, when I was sitting in a similar position to you—behind that top table—while considering the Channel Tunnel Rail Link Act 1996, which was being dealt with by a Select Committee. However, unlike you, Mrs. Humble, I had another 11 months and three weeks to go before getting away—you will be away, no doubt, at the end of this sitting. I am sure that you will be quite pleased about that. Many changes have taken place since then, however, and I had been led to believe that this place was like a halfway house to the House of Lords—a little more genteel and refined than the House of Commons, but not quite as good as the House of Lords. However, what I saw in the last debate did not bear that out—but one lives in hope!

Since I and my colleagues from the all-party FRAME group met the Minister on 4 February and having done some reading and talked to people about this subject, I have changed my views. When we met her, the spectre of diminished UK legislation was looming before us, as a result of the dumbing-down that we feared necessary to fall in line with European Union legislation and recommendations. Although our system was by no means perfect, we did not want it to be made any worse. However, I have since considered the matter in detail, and now take a more positive and—I hope—constructive position.

I think that my colleagues in the all-party group will go along with my comments. There is nothing wrong with our seeking some much-needed improvements. The current situation is far from satisfactory. We hear about the three R's—replacement, refinement and reduction—in animal experimentation and scientific development. Most groups would go along with those, although the anti-vivisection people take a stronger view. They want total elimination of animal experimentation, which is an admirable view. My heart tells me that it has much to commend itself, but my head tells me that it is unlikely to happen in the foreseeable future. I always recall what that great statesman, R.A.—later Lord—Butler said: politics is the art of the possible.

Furthermore, I would like to put on the record my views on certain extreme and criminal elements, that have intimidated people, damaged people's property and done neither themselves, nor the movement, any favours. All that they have done is take away the public's attention from the real issue to the criminal aspects of the groups' activities. They have probably set us back many years. Obviously, none of the groups to which I shall refer have any time for such people, although we believe that they have a point. We find how they make that point quite indefensible.

I am pleased to praise the Government, which is rare for me, for their endeavours and successes with the Bill involving stem cell research. There was a fair amount of opposition to it from various quarters, but it is the way forward, and I hope that it will help us to achieve some of our aims in reducing animal experimentation—all the potential seems to be there. One of the biggest problems facing the nation's health relates to our ageing population and the terrible plight of the increasing number of people suffering from dementia. Given that it is a disease of old age, it is almost inevitable that more old people will result in more people with dementia. That is leading to many problems, not least that of resources. It seems that most of the advances made on the subject have come from stem cell research, which is very welcome. Dementia is probably the largest medical problem faced by mankind in Britain—there are many others, but it stands out on account of the large number of people involved.

We must first consider the statistics. I give praise to the excellent briefing paper prepared for this debate by the Commons Library. I am sure that I can quote from it, because all the figures in it come from Government sources. In these days of scientific enlightenment and advancement and of the greater accrual of knowledge, it is sobering to think that, over the past 12 years, animal experimentation has increased by no less than 21 per cent. In previous years, the figure had fallen from a level above what it is now to a fairly low level. This is not a party-political issue but a national issue. Some might say, "Oh well, the figures went down under our regime, and have risen under a different regime", but that is irrelevant. What is relevant is to find out why that happened and to see what we can do to arrest the situation. We first need to ensure that this remorseless rise in animal experimentation is, at the very least, brought to a plateau. Only then can we begin to consider ways and means to reduce the problem.

I do not underestimate the complexity and difficulty of achieving such a reduction, but the 21 per cent. increase over 12 years is unacceptable by any standards. We can hear all the fine words in the world, but we need positive proof on the ground that the policies are working. Sadly, at the moment, they are not.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): It is interesting to see the passion that the hon. Gentleman

[Mr. Phil Willis]

brings to this debate. Does he accept that the principal reasons for the rise in the number of animals used in medical research are the huge advances in medical science seen virtually on a daily basis? He mentioned stem cell research. Such huge developments in medical science are driving up the number of animals used in experimentation, rather than there being simply an inexorable move upwards in the use of animals.

Bill Etheringtoe: The hon. Gentleman has put that in a very attractive way. He is expressing an opinion. One of the reasons for the rise is that we have failed to control the system in a proper manner. I will explain later why that has happened. It is probably not widely known, but the Freedom of Information Act 2000 does not apply to this particular industry. I shall call animal experimentation an industry because that is what it is. In my experience, strong lobbying groups and powerful financial forces, such as the pharmaceutical industry, laboratories and universities, quite rightly and understandably look to protect their own jobs and interests, which we all accept is reasonable behaviour. None the less, I have never heard any Government Minister or MP say that they are in favour of expanding animal experimentation. It may be in *Hansard* somewhere, but I personally have never heard it said. Therefore, I take a different view to the hon. Gentleman. Basically, we have a flawed system, which is far too closeted. We do not have a comprehensive and effective database. I am not disparaging those who try to produce the best set of statistics that we can have on a general basis in Europe. However, if someone applies for a licence to do some experimentation, how can we ensure that such experimentation has not been done 30 years before, and has reached positive or negative conclusions? We do not know because such information is not in the public domain.

Section 24 of the Animals (Scientific Procedures) Act 1986 has been misinterpreted. It is sobering to consider that this industry is de facto immune to the Freedom of Information Act 2000. We all know that many of the general effects of that Act are positive. For example, it is positive that Members of Parliament have to declare their expenses, which are paid for out of general taxation. No one argues against that. It is also right and proper that there is total transparency in the granting of licences, but there is not. Such information is not in the public domain. The public do not get to know about the procedure.

The House of Lords Select Committee that dealt with the issue of scientific testing on animals in 2002 said that the public must be enabled to make informed judgments about the justification for animal research. Such a pledge has not been fulfilled. We are nowhere near a situation in which the public have the sort of information that enables them to reach conclusions and to lobby their MPs or others. Such information is closeted. A cosy relationship exists. I am not saying that it is corrupt, far from that. I have no doubt that the people concerned do their best, but nothing ever seems to get the breath of fresh air that comes from public scrutiny. This is an area that badly needs more public scrutiny.

Another astounding fact that I read in the Commons Library report is that no application for animal research has been refused. I find that incredible. Under any system, surely, somewhere along the line, there will be a reason to refuse an application. I cannot believe that every application does not in some way—no matter how small—duplicate something that has already been done. Many people are not prepared to face up to the reality that this industry is a self-propagating entity. Unfortunately, despite all the Government's good intentions, the records show that the system is not working. Anyone can say that we intend to control something and hopefully reduce it by using scientific advances. For heaven's sake, given the number of years that we have had animal experimentation, we should have a tremendous database now. We will never reach the stage when we have run out of opportunities to get more knowledge, but surely as we get an accrual of information, it must become less necessary to continue with similar types of experiment.

Finally, an issue that is not given enough recognition is the fact that many animal experiments, which reached conclusions and were then tried on humans, were found not to be analogous. It was found that the experimentation on animals did not give the sort of information that was helpful as far as humans were concerned; indeed, it often had the opposite effect.

I am pleased to see so many hon. Members present today and I hope that they will have their say. Let us have more debate on the matter, and more debates in Westminster Hall.

Mr. David Drew (Stroud) (Lab/Co-op): I apologise for missing my hon. Friend's initial remarks, and he may have covered the matter that I want to raise. I support the Government's three Rs approach—reduction, replacement and refinement. When I look at the statistics, it would help me to see what definitive evidence there is—I know that we have an organisation that is tasked to do that, but it is smoke and mirrors—that those three R's have reduced the amount of animal experimentation that would otherwise have taken place. I have never seen such evidence, and that is a real weakness in the system. Does my hon. Friend agree that that is a problem?

Bill Etheringtoe: I agree with my hon. Friend, but all I can say is how long is a piece of string? Without the evidence, we do not know whether the 21 per cent. increase might have been a 60 per cent. or a 5 per cent. increase. We will only know that when we get the full information. We need to know why experiments are being carried out, what the results are and what conclusions are drawn from the results. We do not know such things. We have statistics on both numbers and occurrences. There are four categories of outcomes in animal research. The first one is a fairly minimal effect and the fourth one is death. The second and third category fall somewhere between the two. That is about as much as we know. We do not know much more because there are no details on why experiments are being carried out.

Some years ago, it became illegal to carry out animal experimentation for cosmetics. I would have hoped that such a ban would lead to a reduction in animal experimentation because that was a large and lucrative sector, but we did not see that. In answer to my hon. Friend, the fact that we see a 21 per cent. increase in animal experimentation means that we must question the veracity of the three Rs. We all agree with the three Rs, but they include the word "reduction". We are not

seeing any reduction. It would be a tremendous step forward if we could reach equilibrium. It is good to have my hon. Friend the Minister here to answer my questions, which I am sure she will do very capably. We need to have a step change here. We are not making progress. Politics is full of unintended consequences. Although people mean well, their actions do not always work out in the way in which they intend. If things do not work out in such a way, one should admit it and change it. That is what I am asking for, and what we need.

Kerry McCarthy (Bristol, East) (Lab): I hesitate to intervene on my hon. Friend because he is making an excellent speech. He mentioned the ban on cosmetics testing on animals, but does he agree that if we moved to ban the testing of other categories of products, such as household products, of which there are plenty that we can already use, and the testing of recreational drugs, we could at one fell swoop significantly reduce the number of animal experiments?

Bill Etherington: I agree with my hon. Friend but, sadly, that is not likely to happen. All Governments seem to be reluctant to interfere and instead follow the status quo. Whenever someone suggests something radical, there is always a massive move against it. For every one good reason to change something, 10 good reasons are given to keep things as they are. My hon. Friend makes an attractive proposal, but it is not likely to happen.

I have taken enough time—I did not intend to speak for quite this long—and I look forward to hearing what my colleagues say in the rest of the debate.

11.21 am

Mr. David Amess (Southend, West) (Con): I congratulate the hon. Member for Sunderland, North (Bill Etherington) on his excellent speech, which I agree with entirely. I have the honour of being the chairman of the all-party group on the fund for the replacement of animals in medical experiments, which is celebrating its 80th anniversary. The group is grateful for the advice that we get from Professor Michael Balls and Gerard Duvé, who are respectively the chairman and secretary to the trustees of the Fund for the Replacement of Animals in Medical Experiments.

I was slightly concerned when the hon. Gentleman secured this debate that there would not be so much interest in it, but there is a lot, and will cut my speech by half. FRAME is grateful to the Minister and her officials for the time that they gave to meet us and for the positive spirit in which she responded to our concerns. I am also grateful for the support today of my hon. Friend the Member for Bournemouth, West (Sir John Butterfill), who was also at the meeting.

My interest in animal welfare has been consistent throughout my time as a Member of Parliament. I hope that I am not bragging by saying that I am not in the extreme wing of animal welfare activism, but belong to the sensible group of people who are interested in animal welfare. My views were best summarised in a speech I made on the Second Reading of the Animal Welfare Bill, but the fact that I served on the Standing Committee that considered the Animals (Scientific Procedures) Act 1986 shows how long I have been here. The Home Office Minister on that Committee was David Mellor.

Dr. Ian Gibson (Norwich, North) (Lab): Did he have his Chelsea shirt on?

Mr. Amess: I do not think that that had been in the spotlight to quite the degree that it was later.

I recall clearly that the Committee focused on extreme examples such as cosmetic testing. The 1986 Act achieved a great deal, but as the hon. Member for Sunderland, North said, time moves on, and FRAME feels strongly about some of the matters related to our closer integration with the European Community.

In our excellent Library briefing, we are told that Darwin understood the need for animal tests. The great naturalist loved all living creatures but defended vivisection, which sparked a debate that rages today. Animal welfare groups are concerned that current European Union statistics on animal experimentation are woefully inadequate. Although we should not generalise, the UK is by and large a nation of animal lovers, and some European Community member states do not have quite the same strength of feeling for animal welfare. There is widespread support for a new directive incorporating a far more meaningful system of reporting animal use that would include the level of pain and distress that they suffer.

Lord Davidson has proposed that the coverage of scientific procedures should be substantially reduced to annual Home Office statistics, but FRAME believes that the Home Office should continue to publish annual comprehensive statistical reports of the kind and depth that have been published for many years. The publication of the British statistics provides a valuable resource for those who seek an acceptable compromise between serving the legitimate interests of science, medicine and industry, and maintaining the highest possible standards of laboratory animal welfare.

To consider drastically reducing the scope of the statistics to a minimum standard would be seen as an unacceptable reduction in the long-held Government commitment to ensure transparency on what happens in British labs. For example, the statistical detail covering the breeding and use of genetically modified animals has long been understood as part of the commitment to transparency, even though it is not required for compliance with the EU directive or the Council of Europe convention ETS 123. Furthermore, because the registration, evaluation and authorisation of chemicals scheme may require the use of an additional 50 million animals, the members of the all-party group believe that the case for maintaining comprehensive statistics is very strong.

Lord Davidson recommended a cost-benefit analysis on the collection of annual statistics, but FRAME firmly believes that the retention of the present provisions for animal statistics, rather than being an example of gold plating, better serves the interests of the British scientific and animal welfare communities, by ensuring the most considerate treatment of animals in British laboratories.

The Minister may not be able to respond today to all the points that I make, some of which I made at our earlier meeting but, if she has time, she could respond in writing in due course. She received a letter from the all-party group on 14 November 2008 in which we expressed our view that the current practice should continue without any drastic reduction in scope or

[Mr. Amess]

content, despite Lord Davidson's views. The group does not believe that the argument for a change in current arrangements has been proven.

Following several years of consultation, the Commission's proposal for a directive to replace directive 86/609/EEC was published toward the end of 2008, and it is now being discussed within individual member states. I hope that whoever is handling the Minister's brief when she takes leave to have her baby—we wish her well with that—is in a stronger position because British parliamentarians are genuinely interested in the issue. The Home Office is conducting a series of meetings with various groups of stakeholders, concerned, for example, with alternatives, animal welfare, scientific research and industry. FRAME is a part of the group with a special interest in alternative methods and will do all it can to assist the Home Office, if it so wishes, in developing a sound negotiating position for the UK. FRAME's initial comments were first submitted to the Home Office early in 2009.

The principal reason for the proposed revision is the uneven application of the current directive to member states. The proposals' intentions are encouraging. They include the enhanced promotion of alternative methods, stricter control of the use of non-human primates and a system for retrospective reporting to enable judgments to be made about whether the benefits of programmes of work were delivered and the likely suffering of the animals used was reliably predicted.

However, the intentions are not expressed with sufficient clarity or in terms of the definite requirements that would be expected in a law. The main purpose of the proposal could be served only if massive rewriting provided something more like a directive, or if formal and detailed guidance were provided on how the directive's provisions should be interpreted and applied by member states.

For example, there are references to how the conduct of animal procedures might ultimately benefit humans or human health, but no clear indication of who would judge whether the predicted benefits were sufficiently reliable and realistic to justify the annual suffering caused by the procedures or how such evaluations would be performed, as the hon. Member for Sunderland, North mentioned in his speech.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): Will the hon. Gentleman give way?

Mr. Amess: With some trepidation.

Dr. Harris: The hon. Gentleman need not worry. I apologise to you, Mrs. Humble, and to hon. Members for the fact that I am a member of a Public Bill Committee and will have to go back for votes from time to time. I have been listening carefully to the hon. Gentleman. On his last point, does he not think that that is being carried out at the moment and that benefit-harm ratios and the likelihood of adequate benefit from the research are being judged by the fact that one must apply for ethical approval and authority both to do experiments and to be licensed as an investigator? We already have that in this country. It is therefore not lacking in our current regulation or the directive.

Mr. Amess: The hon. Gentleman is trying to tempt me down another road. I do not regard his point as relevant to this debate, which is on a response to Lord Davidson's report and how we will proceed with our European partners.

Another example of superficial thinking relates to the use of green apes—sorry, great apes. *[Laughter.]* A Freudian slip. My TV needs tuning, I think. The use of great apes would not be banned, in case some human health emergency arose that might justify it. As it is expensive to maintain chimpanzees in captivity and would take several years to breed them and raise them to an age at which they could be used, where would the animals be found for use in such an emergency? In the jungles of Africa? I doubt it. Would a few hundred be kept in cages at enormous expense, just in case they might one day be needed? I just flag that up. Whether the apes are green or brown, FRAME would not want to see that happen.

One point of particular concern relates to the status and future of the European Centre for the Validation of Alternative Methods. Professor Balls was the first head of ECVAM, and Dr. Jon Richmond is the current British representative on its scientific advisory committee. We are proud of that. Article 46 of the proposal sets out a scheme for a national reference laboratory in each member state for the validation of methods that could replace, reduce or refine the use of animals. It is attractive at first sight, but it is fundamentally flawed, as it is based on a lack of experience among those who wrote it, especially with respect to validation. There is a danger that the validation process would be frustrated by a lack of experience and national or other sectoral bias of a kind that has occurred in the past. Such issues could be handled satisfactorily via ECVAM's relatively independent status. There is no specific mention of the role of ECVAM, which increases concern that much of what has been achieved in the organisation's development over nearly two decades will be abandoned in favour of some inappropriate theory about how Commission services should be run in relation to what happens in member states according to the principle of subsidiarity.

In conclusion, it is clear that the emphasis is bureaucratic rather than scientific. Inevitably, that risks delaying the development, validation, acceptance and application of methods that are truly relevant and reliable in their stated purposes of leading to the greater protection of human health and steadily reducing the cost to laboratory animals. I think that the Home Office understands entirely what challenges it faces. I welcome the opportunity through this debate to strengthen its hand as it takes the negotiations forward.

11.35 am

Dr. Ian Gibson (Norwich, North) (Lab): I congratulate my hon. Friend the Member for Sunderland, North (Bill Etherington) on presenting such a strong, passionate speech about the implications of experiments using animals. I recognise many of the things that he said, having practised some of those methods myself. As a young student, I was taught to inject rabbits and get antibodies from them. I had to fill in Home Office forms and so on, but there was a laxity even then about how seriously the issue was taken. Later in life, of course, during cancer research, one cured mice of cancer but was never sure whether it would work in human beings as well.

The great increase in using animals, particularly mice, is due not just to stem cell research but to the fact that people now want animal models for cystic fibrosis and other diseases, given that they can obtain genes, put them into what are called knockout mice or nude mice and see what happens in the process, thereby studying the progress of a particular illness. The increase in the use of mice is justified by scientists on the basis that it will help to give us some input into sorting out diseases, whether rare diseases or other sorts.

I am going to say something that opens up the whole field. As a hardened scientist, I never questioned what I did. They were just things that one did. However, I think that we have now learned quite a bit. I pay tribute to FRAME and Professor Michael Balls. He and I worked together, argued together and taught together. As a matter of fact, I got him his job. When he was at Berkeley, I brought him back to this country. Ever since then, we have conversed about alternatives to animal experiments, although not in the sense of doing away with animal experiments completely, because it is recognised that—in some cases, anyway—they can be useful. However, we should be working much harder to develop not just regulations but new technologies to replace some animal experiments.

I say that because I have a Bill, which is supported by the hon. Member for Southend, West (Mr. Amess) and the Safer Medicines Campaign, to evaluate tests carried out on animals against the alternative methods coming to the fore. I had not realised how fast such alternative technologies were emerging until I attended a conference a few months ago at the Royal Society run by the Safer Medicines Campaign. There is an opening up among scientists. More and more scientists are getting involved in considering alternatives. We should welcome that, particularly if the validation process that we are trying to pass in Parliament allows us to assess whether animal experiments are working, whether they tell us what we think we can see in a mouse, a rat or other animal, and how other technologies compare.

As my hon. Friend said, there have been some tragedies in the field in which animal experiments on mice or other animals have been carried out, yet when the drug is put into human trials, a Northwick Park situation arises. In those trials, drugs for certain types of leukaemia—I will not go into the details—had adverse effects on people; in fact, they nearly died. Much has been written about that. In other instances involving pharmaceutical companies, there have been side effects that were not seen in animals but were seen in humans when the drug entered human trials. I know that if a drug is used, it is best to see how it works physiologically on the whole organism—I have used that argument in the Chamber. However, in physiology and biochemistry there are differences between animals and between animals and humans. That must be taken into consideration.

I am a great believer in some of the tests that have been carried out. My colleague, the hon. Member for Harrogate and Knaresborough (Mr. Willis), always wants me to talk about Dundee university, where understanding how a basic scientific procedure called protein phosphorylation worked in normal organisms allowed the development of nine effective drugs to treat cancer. From a position of not understanding how something works, people can arrive at a point where it does work. As far as I know, there have been no adverse effects in that arena and it has to go through the legal process.

We all get letters from the public—I received letters about the Human Fertilisation and Embryology Act 2008 because people did not like some of the things that were being done. Professor Michael Balls and I had a terrible fallout over some issues—he was watching what I was saying and we fell out and disagreed. That has been published. I have seen him since and there is no problem. We have argued out the matter.

Animal tests must be validated in some way, but they never have been. I have mentioned some cases where there have been problems. I want to talk not only about the number of animals involved, as my hon. Friend did, but about my concerns over the impact on patients of using animals as surrogate humans to develop and test new medicines. We rely on animals as a final safety screen before clinical trials on people. According to the US Food and Drug Administration, 92 per cent. of potential new drugs do not work in human trials. Sarah Boseley, a reporter from *The Guardian*, who I think is one of the best reporters in the country, digs deep and wins lots of prizes for what she unearths. She does not need the Freedom of Information Act 2000; she goes to countries such as Malawi in Africa and sees how drugs are being used in that community. She said:

"A million Britons are hospitalised by prescription medicines every year, costing the NHS £2 billion."

It is admitted that drugs often have side effects, which can differ between different people. Drugs are metabolised and mobilised in different ways depending on our individual genetic make-up.

There have been lots of reports from the United States and a vision has developed there focused on trying to limit animal tests and replace them with new technologies. I will not describe all those new technologies, as they have been mentioned before. People are critical of some, but not of others. Using human tissue is a more favourable practice in laboratories because we can have banks of such tissues. They can be studied and we can understand how a new compound will work. There are DNA chips, where the effect of a drug on a particular gene is looked at on a slide. There are different computer models, and microdosing is new technology where small amounts of a drug can be given to a human to see what reaction it produces. At the conference that I attended, I found it stimulating to see the good sciences being used to try and work out alternative procedures. That is why I hope that the Bill manages to get somewhere as we look for validation of those technologies.

There have been many inquiries into animal testing. The Lords Select Committee, the Animal Procedures Committee, the Nuffield Council on Bioethics and the Weatherall report all called for research into the validity of animal tests. None of those inquiries assess the effect of that on predicting drug safety, and that is a huge gap. The Committee on Safety of Medicine's evaluation was the first, I think, to require a scientific comparison of the ability of animal tests to predict the risks of drugs in humans with the ability of a set of human biology-based tests. That is worth taking forward, and I compliment not only the Safer Medicines Campaign but also FRAME; they have continuously made us think about other ways of doing things.

Perhaps we can make savings by using these technologies. This is an expensive business involving animal housing, ensuring that welfare is properly provided, arranging Home Office visits and spending time in collecting data

[Dr. Ian Gibson]

from different laboratories. Enabling animal houses to be smaller would save a lot of money for a starving higher education process. I remember once in Portcullis House that I saved a university £1 million by ensuring that humans could not enter its animal building. It was thought that allowing access would leave it open to the kind of people who have recently been imprisoned for their violent behaviour because of their beliefs about animals. There is a huge change in the way that people think about animal experiments, the need for them and the possible alternatives. I welcome that. This scientific field might turn out some very exciting results.

11.45 am

Sir John Butterfill (Bournemouth, West) (Con): Following on from the last three speakers is quite difficult; nearly everything I was going to say has been said. However, I would like to join my hon. Friend the Member for Southend, West (Mr. Amess) in thanking the Minister for the courtesy that she showed when we met her a few weeks ago.

I have been involved with animal welfare for a long time. I am the longest serving trustee of the People's Dispensary for Sick Animals. I was one of the founder members of FRAME, and we have been lucky to have Professor Michael Balls guiding us through the process ever since it started. I was attracted to FRAME because it was the sensible person's approach to animal welfare and experimentation and not extreme in any way. Nearly all scientists engaged in this field are not wicked, extremist people who love torturing animals, as they are sometimes portrayed by the extreme animal rights wing. They are, for the most part, conscientious and careful. I know that from first-hand experience: for the past 40 years, my wife has been a fundraiser for Action Medical Research; she is now the south-east regional chairperson. The brunt of what Action Medical Research does—the cutting-edge research—largely involves stem cells rather than animals. I have met many of the scientists whom it employs and they are fine people who are conscious of the need to minimise the effect on animals of any research that they do.

However, there are some defects in the law as it stands. There is a lack of openness and transparency that must be addressed. One understands that much research might be commercially confidential. What drugs companies and others do is often expensive and their research must be protected to a degree. Nevertheless, particularly as a result of some EU legislation, there is a good deal of unnecessary duplication of research. We must be satisfied that efficacy is involved and that it is not duplication. We must be more demanding in what we ask of those who request consent to carry out these sorts of experiments. If we do that, I think that the public will be with us. How we present our case is extremely important. We are not trying to shut down experimentation, but we can take a lot of satisfaction from advances in research that mean that things that used to be indispensable are now not wholly necessary. Perhaps by being a little tougher, we will drive people into research which, although it might be more expensive and difficult, will reduce, rather than increase, the level of animal experimentation. We should therefore tighten up procedures.

11.50 am

Mr. Phil Willis (Harrogate and Knaresborough) (LD): Let me congratulate the hon. Member for Sunderland, North (Bill Etherington) on securing the debate. He is right that the House should constantly debate this issue. I had little difficulty with much of his speech, although I respectfully disagree with him on several issues, which I shall raise. I congratulate the hon. Member for Bournemouth, West (Sir John Butterfill) on putting the case for the Fund for the Replacement of Animals in Medical Experiments so clearly. FRAME has brought respectability to this area of opposition, rather than simply adopting a black-and-white approach to animal testing, and I do not criticise its work.

Even if I wanted to, I could find no Member of the House and no scientist who uses animals for experiments who would not like to find an alternative way of doing those experiments. I do not believe that there is a demand, other than from people who are particularly perverse, for inflicting pain on animals. I acknowledge people's genuine concerns about this issue, but I have real difficulty with the title and central thrust of today's debate, which is really about the production of statistics and the idea that producing more statistics will somehow improve the lot of animals and reduce the number being used in experiments. Neither FRAME nor anyone else has produced evidence that having better statistics will drive down the number of animals being used.

Kerry McCarthy: May I give the hon. Gentleman an example that might help to answer his question? On the testing of household products, I gather that more than 100 chemicals are used in disinfectants and that more than 250 have been tested and are available for use. Surely, if statistics were available on the multitude of experiments being carried out to create ever more household products, there would be consumer demand not to license more experiments. Would not that be useful?

Mr. Willis: The duplication of experiments is nonsense—I do not think anyone could argue with that—and we are delighted that the UK no longer experiments on animals for household products or cosmetics. As I am sure the hon. Lady knows, however, the problem is that the new REACH—registration, evaluation, authorisation and restriction of chemical substances—regulation will revisit many of the compounds that are used in everyday chemicals because of the need to test the toxicity of each one. That will cause a real problem. A driver of that regulation is the need to control information more centrally.

We do not want just a simple debate on statistics and numbers; we want a debate on why we are using animals in science. More than 3.2 million procedures were started in 2007—a rise of 6 per cent. on the previous year. There have been significant rises, year on year, in the number of animals used in science, and it is absolutely right that we put those statistics on the table. Since 2000, the number of scientific procedures performed on animals has risen, and we have to ask why. This is where I disagree with the hon. Member for Sunderland, North, because, as the hon. Member for Norwich, North (Dr. Gibson) has mentioned, the rise in the number of animals is due largely to the increasing use of genetically altered animals—mostly mice, not primates, cats or dogs. Genetically altered mice are engineered to have

particular diseases, and drugs or chemicals are created to knock out that disease. There has been a move to improve medical science by using genetically altered animals.

I have heard strong condemnation of the work on the three Rs, which was an incredibly positive development set up by Lord Sainsbury when he was Minister for Science and Innovation. Rather than being a barometer of the lack of progress for the three Rs, statistics have provided an indicator of current trends in research. An increase in numbers can reflect an increase in the overall amount of research done, and therefore of the benefits to patients.

The central driver for the vast majority of research using animals is the laudable objective of improving human health. As the UK is particularly successful in biomedical research—we are second only to the United States, so we are leaders in that key area—it is not unreasonable to think that there will be an increase in the number of animals used in the UK for such research. One particular statistic is worth noting because it has been produced by the Home Office and the Department of Health—the proportion of animals used, despite increases in biomedical science, is going down.

Let me return to the point that the hon. Member for Southend, West (Mr. Amess) made about the European directive. There have been slight misunderstandings regarding FRAME's position and the way in which the new scientific directive, directive 86/609/EEC, is being considered and discussed. We in the UK are proud of our high standards in the treatment of animals in science. Covance—a private, US-based company—has laboratories in my constituency where a significant amount of testing on animals is done. I have visited those laboratories many times, and I have been astounded by the efforts that are made to maintain and look after the animals, with the best of husbandry. Recent efforts being made in England include bringing in animals in colonies, rather than in individual breeding pairs, to replicate their home conditions. In this area, we lead Europe, and it is important that the directive is used to ensure that the standards of animal care throughout the EU come up to ours, rather than go down.

I agree with the hon. Member for Southend, West that the directive is badly worded. It needs considerable revision before it becomes law. There is misunderstanding about the fact that any European directive has to be framed in the image of each particular nation, and it is up to the UK Government to frame the directive in British law according to how we want it. The hon. Gentleman's party has accused the Government of gold-plating EU directives, but this one does not need gold-plating. Indeed, we should maintain the high standards of openness and transparency on which Labour Governments of the past 12 years have a decent record.

[DAVID TAYLOR *in the Chair*]

I am also concerned about the hon. Gentleman's comment on the use of great apes—or green apes, as the case may be—and where we would find them in a dire emergency. At the moment there are 1,400 great apes in breeding programmes in the United States. It is not the case that there would not be sufficient great apes available in an emergency, if needed. There are another 600 great apes in active research programmes in the US.

The hon. Gentleman's point about the European Centre for the Validation of Alternative Methods is right. Particularly over the past five to six years, that organisation has established a terrific reputation throughout Europe. It would be sad if this directive moved us in the opposite direction.

I have four cats and two dogs and a great number of mice despite them. On speaking to my wife this morning and telling her that I was filling in as Liberal Democrat spokesman on this subject this morning, she said, "I hope you are going to support a total ban on all animal experiments." I replied, "I'm sorry dear, we'll have to continue to disagree on that."

There is a need for greater transparency about the benefits of using animals in medical science. Looking at the huge breakthroughs in medical science and the number of diseases for which cures have been found as a result of testing on animals puts these matters into perspective. The hon. Member for Norwich, North, who leads much of the work on cancer research in the House, would accept that the huge advances in cancer treatment have come about not just as a result of animal testing, although it has been part and parcel of them. The same applies to antibiotics and vaccines. Animals have been used to develop cures for everything from smallpox to polio, insulin, tetanus, rubella and anthrax. If we go down the road of saying, "At this moment in time, we can suddenly find cures without using animals", we do so at our peril.

David Taylor (in the Chair): Order. I have to interrupt the hon. Gentleman. I should like to call the other Front-Bench spokesman at an early point and call the Minister at 12.15 pm.

Mr. Willis: I have finished, Mr. Taylor.

12.3 pm

Andrew Rosindell (Romford) (Con): Mr. Taylor, thank you for calling me to speak on behalf of Her Majesty's Opposition. This has been an excellent debate. I welcome the opportunity to discuss this subject. I congratulate the hon. Member for Sunderland, North (Bill Etherington) on his contribution and thank other hon. Members who have spoken. There is consensus on most issues among hon. Members in this Chamber today and among the Government and the Opposition, and there is little that we have to disagree on. A lot of progress has been made and much more must be made in years to come.

Today's debate has been useful. I particularly commend the remarks made by my hon. Friend the Member for Southend, West (Mr. Amess) about the work of the Fund for the Replacement of Animals in Medical Experiments, and I commend the excellent work that he does with my hon. Friend the Member for Bournemouth, West (Sir John Butterfill) in the all-party group on FRAME. We look forward to making progress on this matter in the years to come.

The Minister will be taking a sabbatical quite soon and we all wish her well. I know that she feels as passionately about this matter as we all do. We look forward with hope to using the cross-party consensus to move this agenda forward.

May I emphasise my satisfaction with the fact that, following the recent European Committee sitting on the revision of European directive 86/609 relating to the protection of animals used for scientific purposes, this

[Andrew Rosindell]

subject is once again being debated in the House and getting the attention that it rightly deserves? As the spectrum of animal welfare issues—particularly animal experimentation—continues to expand both in volume and in terms of public interest in it, Her Majesty's Opposition are wholly committed to reflecting this in parliamentary business. I am grateful to the hon. Member for Sunderland, North for choosing this subject for debate today.

My colleagues and I are satisfied with the general direction in which the animal testing debate has been heading in recent years. It is safe to say that everybody across all sectors would like to see the same eventual outcome: the replacement of animals used in scientific procedures, however long that may take. Indeed, it may take many years, but ultimately we all want to reach that goal. The Government, Opposition parties, welfare organisations and, perhaps most significant, industry have all made clear their dedication to continuing to develop and utilise alternative methods of testing that will help work towards eliminating the use of animals in scientific procedures.

As is made evident by the current revision of EU directive 86/609 on the protection of animals used for scientific purposes, many of the regulations on animal testing are being determined at European level in order that our European neighbours adhere to the standards that we already apply here in the United Kingdom. Although my party has reservations about the top-down approach taken by Europe in some areas of legislation, it is a pleasure to see an international approach to animal testing. I envisage that in just a few short years we will be debating this matter from a much more unified European perspective and adjusting our focus to more inclusive consideration of data gathered from our European neighbours. That can only be a good thing.

As shadow Home Affairs Minster with responsibility for animal welfare, I am continually reminded by members of the public and organisations that the overall number of scientific procedures involving animals has been rising steadily since 2000, as several hon. Members have mentioned. This rise follows continuous reductions throughout the 1980s and 1990s. Indeed, the most recent figures available show that we have now completely reversed the reductions achieved over the previous decade, to return to numbers not seen since 1990. Specifically, in 2007, we saw a rise of 6 per cent. in the number of procedures, which is a significant figure given previous annual rises of around only 2 per cent. The number of procedures undertaken annually is now 21 per cent. higher than when Labour came to power in 1997. Such data, of course, raise immediate concern about scientific progress, particularly in respect of the three R's programme, which we all support.

The National Centre for the Replacement, Refinement and Reduction of Animals in Research has, since being established several years ago, been widely accepted within the research community, yet we continue to see an increase in overall animal use. This is somewhat alarming when considering the long-term approach to developing alternative methods. Continuous rises in both the number of procedures undertaken and the number of animals used do not encourage a healthy mentality among the industry or the concerned general public.

Despite these reservations, it should be noted that a major factor in these rises is the use of genetically altered and mutant lines of animals, which can produce more relevant models for research purposes. The proportion of procedures involving so-called genetically normal animals has fallen significantly over the past decade. That is an especially welcome fact, considering that such procedures include animals taken from their natural habitats. The proportion of procedures involving normal animals rose by 5 per cent. in 2007, but that can mainly be attributed to studies using mice and fish that, traditionally, have not been controversial.

Additionally, it is worth considering the overall long-term financial commitments made by the scientific community. Over the past decade, the increase in procedures involving animals has been relatively marginal, compared with what went on before, but spending on bioscience and medical research and development has surged significantly. Therefore, animal-based research has become a smaller proportion of the overall spending in those key industries. That, too, is extremely encouraging. It highlights the investment being poured into other areas that will, I hope, lead to the eventual demise of animal-based procedures.

To summarise, I emphasise that the Government should be working harder to curb the overall trend in rising figures, but that we should also acknowledge some of the valuable work being undertaken by the scientific community in helping to minimise animal suffering. The animal testing debate comprises what can be classified as various sub-debates that focus specifically on different species of animal used in procedures, and different products or ingredients being tested. It is through those lower-level, more specific debates that we can work towards an eventual eradication of animal testing.

For example, it is a widely held view that testing on animals for the safety of cosmetic products is unacceptable and unjustifiable. That is reflected in the fact that, for the past 10 years, the granting of licences for the testing of finished cosmetic products and ingredients to be used in cosmetic products has been prohibited in the UK.

Kerry McCarthy: Does the hon. Gentleman agree, however, that many people are under the impression that animal testing for cosmetic purposes has already been phased out? In particular, many people do not realise that a product that uses the words "natural", "herbal" or some mutation of the word "organic" in its name may have been tested on animals. Does he think that we could do more to promote the fact that there are cruelty-free alternatives?

Andrew Rosindell: I completely agree with the hon. Lady. It is true that testing of cosmetic products on animals has been eliminated, and that many people do not realise that. They believe that it is still done, so we need to do more to promote such information. We also need to move on to eliminating completely testing of household products on animals. We can make progress on public perception, but, of course, such things take a long time to permeate through to the general public.

Kerry McCarthy: May I clarify what I said? Although the tests are being phased out, there are still many products on the market that have been tested on animals. There are also alternatives that have not been tested on

animals. I was urging people to buy the alternatives rather than products produced by the like of Procter and Gamble, which does a significant amount of testing, or products that are imported from places where testing is still allowed.

Andrew Rosindell: That is another point. Many countries have much lower standards than the UK for animal testing, so anything that comes from the UK will be of a much higher standard than anything that comes from certain other countries. It is important to get the message across that we have one of the highest standards for animal testing in the world and that we are working hard gradually to reduce such testing. We have consensus on all those points, and it is important to get those messages out.

I am conscious of the time. There is much more that I wanted to say in this debate, but I know that the Minister wants to respond to many of the points that have already been made. I conclude by saying that all of us in the Chamber are committed to animal welfare. We are all committed to the gradual replacement, reduction and, ultimately, the elimination, one hopes—however many years that may take—of the use of animals in testing. We should be proud of the progress that has been made in this country. We have one of the best, if not the best, standards of animal welfare in testing in the world. The last thing that we want to do is to drive testing abroad, to countries with far lower standards, by making it impossible here.

We should salute those in the industry who have worked so hard with animals to ensure that cures and medical treatments are found for many human ailments and diseases. That is something that we should all support. I believe that nobody today takes the extreme view that we should abolish such tests. We need to have that resource, but, ultimately, perhaps long after we have all left Parliament—it may take that long; who can tell?—we may look forward to the development of alternatives such that the use of animals will no longer be required. I hope that there will be cross-party consensus on working towards that eventual aim.

12.15 pm

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): It is a great pleasure to serve under your chairmanship, Mr. Taylor. I congratulate my hon. Friend the Member for Sunderland, North (Bill Etherington) on securing this debate, and I echo the comments of the hon. Member for Harrogate and Knaresborough (Mr. Willis). I agree completely that we need greater transparency, and I welcome the debate for that reason.

I became the Home Office Minister responsible for this area of inspection in July 2007. This is the second time that I have had the chance to debate it in the past couple of weeks, but we do not discuss it enough. Also, we do not discuss the benefits of testing, as well as the important work that the Home Office does to hold the ring and regulate the work that is done to ensure that scientists work humanely and constructively.

I also welcome the constructive support of Her Majesty's Opposition. The hon. Member for Romford (Andrew Rosindell) rightly highlighted the importance of the European approach to the matter. I will not go into that, as we debated it recently, on 3 February, but it is important that we are having this debate in the UK Parliament today. It sends out a signal to others in Europe that, although there are differences of view, there is cross-party consensus in the UK Parliament that we need to maintain high standards in this area and that we do not want them to be watered down by a European directive.

I shall try to rattle through many of the detailed points that have been made, but it is worth stressing where the Government stand on the issue. In essence, our position is straightforward. We believe that animal experiments continue to be necessary for the time being if improvements in health care are to be developed with the minimum of delay and if humankind and the environment are to be protected from other hazards. I shall not go into great detail about some of the medical benefits—we do not have time in this debate—but it is true that almost every form of conventional medical treatment has relied in part on the study of animals. Asthma treatments, medicines for peptic ulcers, schizophrenia and depression, the polio vaccine and kidney dialysis and transplants are just a few examples of how such work has led to benefits for humankind.

It is clear from the tone of today's debate that, although we all accept that animal experimentation is both effective and necessary, we do not relish it. We believe that it should be used only if the benefits have been carefully weighed against the costs to the animals; if there is no other way to achieve the desired results—I shall say a bit about alternatives later; if the procedures will cause the least suffering and will use the minimum number of animals to achieve the outcome; and if high standards of animal welfare are applied. We believe that that approach reflects closely what the public want. I shall touch on many of the points that were raised by hon. Members.

My hon. Friend the Member for Sunderland, North spoke about the National Centre for the Replacement, Refinement and Reduction of Animals in Research. It is a vital contributor to the work done to reduce the need for animal research. I welcome the support of my hon. Friend the Member for Stroud (Mr. Drew), who also spoke about it.

Hon. Members raised the issue of transparency, and this is where I may have to disagree a bit with my hon. Friend the Member for Sunderland, North. The Government are keen that there should be as much transparency as possible about the use of animals under the Animals (Scientific Procedures) Act 1986, and I believe that we are making progress. I welcome the cross-party support for the Government's aim of being as transparent as possible.

Since 2005, we have published abstracts of project licences granted under the Act. The scheme is voluntary, but at present more than 80 per cent. of project applications provide an abstract, and 1,700 are posted on the Home Office website. That is important: the information is on a website, and anybody can look it up in their local library or wherever. It is not difficult to find.

The annual report of the national centre for the three R's, which has just been published, provides details of all its work, including grants given for research. If hon. Members are interested in following this up, the report is one way of finding out about money from the Government and the centre that has gone into research on alternatives. A great deal has been done to ensure that work is not duplicated, and I shall touch on that in a moment.

[Meg Hillier]

The animals (scientific procedures) inspectorate is also going to publish its annual report, which explains the inspectorate's role. The Home Office is in the middle regarding the animal welfare issues raised by the Department for Environment, Food and Rural Affairs and by scientists. With the interests of animal welfare firmly at heart, we have to strike a balance between a number of interested groups without stymieing UK science plc and the important work that scientists do in helping to cure the diseases and resolve the scourges of this world. The inspectorate's report also contains features on topics of special interest. This year, for example, we intend it to include the work of our policy and licensing teams, and I commend it to Members present as good reading.

My hon. Friend the Member for Sunderland, North focused on statistics today, and, importantly, I stress my belief that our statistics are robust; I must differ with him on that point. We publish comprehensive statistics annually, and they have been collected and published for many years. In fact, I am told that our handwritten records go back to 1876, when the Cruelty to Animals Act was introduced, so Members could take on a lot of reading if they wished to research the subject. Our statistical analysis has improved somewhat since then, and we have not hidden any facts.

The statistics are produced under the provisions of the Animals (Scientific Procedures) Act 1986. They are also part of the national statistics framework and under the management of the Home Office's independent chief statistician, who is accountable to the national statistician. The statistics are also subject to the UK Statistics Authority's new code of practice for official statistics, and those governance arrangements demonstrate that we are not trying to hide anything. We are also required to consult on substantive changes to the context and coverage of the figures, and we have many debates with different interested groups—mostly practitioners, but those with an animal welfare focus, too—about how we collect them. We ensure that we listen to those views and take them on board where we can. I reassure colleagues that we have no plans to reduce the scope of the current figures. We want to give a full and accurate account of scientific procedures under the 1986 Act, and it is important to be clear that we are not trying to hide anything.

On the statistics, in 2007, the main increases in testing, compared with the same period in 2006, were on mice, which went up 7 per cent., on fish, up 20 per cent., and on chickens, up 16 per cent. That was mainly fundamental research, including the breeding of transgenic mice and fish. Hon. Members, including the hon. Member for Harrogate and Knaresborough, raised the issue of transgenic breeding. I must tell him that I visited Covance and saw some of the work there; so I recognise the characterisation given by the hon. Member for Bournemouth, West (Sir John Butterfill) of scientists being not big, bad people trying to do horrible things to animals but people who are keen on and enthusiastic about animals. Certainly, those whom I met are, and that includes the veterinary scientists who work there, too.

The overall number of procedures has increased, but the use of animals in safety testing for regulatory purposes has declined steadily. In the United Kingdom in 1995, there were 677,000 instances of such work, but in 2007, the figure had gone down to 416,000. New opportunities, especially in molecular genetics, cancer research and immunology, have led to new uses and an increase in numbers, but it would be difficult to say to the public, "We are so obsessed with the statistics that we want a reduction, even if it is at the cost of cancer research." We have to strike a balance, but the Home Office is clear that no licence is granted willy-nilly; it must be clear that there is no alternative and that there is a real scientific purpose to the work.

There has been some criticism of the fact that licences are not refused, but the inspectorate, which is locally based, goes out regularly to the labs for which it is responsible and holds discussions with the licensees while an application is being prepared. If it were not up to scratch, it would not get as far as submission; it would have to be modified or withdrawn. We obviate the need for unnecessary paperwork, where people submit pointless and bad licence applications, and we give them guidance in the same way as a good local authority planning officer would. Planning officers do not receive bad applications if they have such dialogue, so it is important that we do so, too.

The point was made about genetically altered animals, so I shall explain the process. The creation of such animals involves a number of surgical and non-surgical procedures, which generate a founder's stock. The process is currently counted as a procedure under European legislation, so simple breeding counts as a procedure. Maintaining colonies involves breeding from the founder's stock and, in most cases, the tissue sampling of an offspring to determine their genetic status—again, a procedure that is counted. Breeding per se is not a procedure, but producing genetically altered animals is, so whatever one's view about genetic modification and alteration, the process alone does not lead to suffering, although, in some cases, offspring will develop the disease involved, so suffering will take place there. In many cases, however, offspring are overtly normal. Although breeding alone counts for just over one third of the UK's use of animals, many will be subsequently used, albeit only for analysis after their humane killing.

Hon. Members asked whether the national centre for the three R's has achieved any results, and I refer them to its annual report. On replacement, we now require that monoclonal antibodies be produced in cell cultures. That is a step forward; it is not done with animals but in cell cultures. The majority of tests for toxins in shellfish no longer use mice, so that is another replacement. On reduction, the use of in-vitro screening tests to reduce the number of animals needed to identify potential skin irritants has also been successful. And, on refinement, there is a mouse-based test using pre-disease end points—rather than a guinea pig test involving skin sores—to determine whether the test materials might cause contact dermatitis. They are just some examples that I can provide quickly in this debate, but I recommend that anyone with an interest in this important subject look at the national centre's own work and report. I know that the all-party FRAME group keeps a close eye on it, and I thank the group for its work, because it is important that we have a reasoned debate. The group provides a good forum for such debate on a cross-party basis, and I am delighted that it has helped to secure today's debate under the sponsorship of my hon. Friend the Member for Sunderland, North.

The Freedom of Information Act 2000 also applies, and we have replied to more than 50 freedom of information requests. Unfortunately, we have had extremists in this country, but, happily, they are now generally in prison or have been dealt with appropriately. It has been difficult to be as transparent as we would have liked, because even publishing the address of a laboratory has caused problems, but we are not trying to hide information. We have to strike a balance between ensuring the safety and security of legitimate scientists doing legitimate and safe work, and ensuring that we provide as much information as we can. On the refusal of applications, inspectors recognise poor applications early in the process and discourage applicants from applying.

My hon. Friend the Member for Bristol, East (Kerry McCarthy) raised the issue of household product testing, and it is clearly a concern. In terms of my ministerial mailbag, it is the biggest issue, other than immigration, that I deal with. There is little animal testing of household products in the UK. One animal—a rabbit—was used for the purpose in 2007 and none was used in 2006. Although the numbers are small, the case for ending such testing is not clear cut. Many household products have significant benefits, such as killing bacteria and germs, and national and international regulatory bodies require that products, ingredients and chemicals are tested to ensure that they are not a danger to children, adults, households pets and the environment. Until reliables are developed, procedures have to be performed using animals, but there is not a great number, if that is any reassurance. Furthermore, there was no cosmetic testing on animals in 2007.

I turn to some of the points raised by the hon. Member for Southend, West (Mr. Amess). Again, I thank the all-party group, under his chairmanship, for its work, and on non-human primates, I refer Members to *Hansard* of 3 February, when I went into the issue in more detail. It is important to stress that, although the directive's provisions appear weaker than our current position, we support the European Commission's proposal in principle, because the exemptions would be invoked only in truly exceptional circumstances. In practice, the provision amounts to an effective ban on the use of great apes, and that is consistent with our policy. We must ensure that we reserve our fire for other concerns about the directive. The European Centre for the Validation of Alternative Methods to animal testing is important. The directive proposes a national reference lab, but we believe that the national centre for the three R's could be a virtual lab.

It is a shame that we have so little time to discuss this important subject. Animal experimentation comes under an area of Government policy that must recognise a wide range of opinions, and I am delighted that we have been able to air some of them today.

Gas Storage

12.30pm

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): I am grateful to have secured this short but timely debate on the adequacy of UK gas storage. We are experiencing another winter of tight gas supply with supplies being drawn down heavily in the face of a colder than normal winter and European supply disruptions caused by the dispute between Russia and Ukraine. Rather perversely, it is only because of a sharp drop in industrial demand, due to the recession, that the UK has avoided severe difficulties in meeting peak gas demand this year.

Over the past week, since receiving notice of this debate, I have been contacted by numerous companies that take a close interest in the subject, including some that are directly involved in trying to take forward some gas storage projects, and some of the large industrial gas users or their trade bodies—for example, the Chemical Industries Association—which are deeply concerned about the future security of gas supply. Their individual interests may differ, but all have emphasised the crucial importance of adequate gas storage as the UK becomes increasingly reliant on imported natural gas and gas per se in our overall energy mix as ageing coal-fired and nuclear power stations are decommissioned.

By 2010, gas imports could be meeting up to one third or more of the UK's total annual gas demand, perhaps rising to around 80 per cent. by 2020. That represents a huge change from our position just five years ago, when we were a net exporter of gas. I do not share the populist panic about imported energy, and I do not believe that energy independence is achievable or even a necessary or desirable goal in an age when international energy markets are increasingly interlinked. There is an unquestionable economic loss to the UK as our domestic oil and gas production declines and that is significant, but I shall not lose sleep about energy security and energy imports as long as we have a diversity of reliable suppliers with proven long-term reserves alongside as strong a domestic component as possible with diversity of infrastructure for the import, transmission and distribution of energy, including a measure of spare capacity and, crucially, an adequate stock of stored energy to serve as a buffer against supply disruptions.

The UK has significant stored capacity of oil and gas. We have around 80 days' consumption of oil and petroleum products in stock and around 90 days' consumption of coal. There is no common stocking obligation on those types of fuel, but it is interesting that there is around three months of coverage for both. Britain's natural gas storage capacity is around 4.3 billion cu m, which represents no more than 15 days' supply. I take the point that the Minister made in response to my parliamentary question last month that the amount of gas held in storage, expressed in terms of days' supply, may not be meaningful, but will he explain why it is deemed to be an adequate measure for oil and coal, but not for gas? Will he also say what he believes is a prudent level of gas held in storage as we become increasingly reliant on imports expressed, if not as days' supply, as a proportion of total demand or volume in billion cubic metres? How much gas should we have stored for when we become, for example, 30 per cent. reliant on imported gas and how much should we have when we become 70 or 80 per cent. import reliant?

[Mr. Stephen Crabb]

The UK needs more storage capacity, and the Government must provide a clearer message on how much new capacity is needed, where it will come from, when it will be delivered, and what can be done to mitigate the effects if it does not come on stream in a timely way.

I believe that the current and future inadequacy of gas storage facilities represents a crucial vulnerability in our energy system, which could have profound negative consequences for UK industrial and domestic consumers. Over the past 10 years, the Government's response to this increasingly important issue has been disturbing complacency. The inadequate level of UK gas storage facilities has been well discussed, and in October 2008, the Select Committee on Business and Enterprise reported:

"The Government has not responded quickly enough to the UK's increasing, and entirely predictable, gas import dependency by encouraging investment in storage...Significant additional storage, beyond that currently planned, is needed to reduce volatility in the wholesale gas price, which is otherwise likely to increase as the UK becomes increasingly dependent on gas imports. It is now an issue of national importance".

Five years ago, the regulator, Ofgem, predicted that the UK would have 10 billion cu m of storage capacity by the end of the decade, but here we are in 2009 and current capacity is not even 5 billion cu m, and 75 per cent. of existing capacity is provided at just one facility, Rough. That facility has around 3 billion cu m of capacity, but it can pump only 45 million cu m a day, so in periods of peak demand the UK could run out of gas relatively quickly if demand outstripped supply.

More than three years ago, I asked the Minister's predecessor what steps were being taken to increase the UK's gas storage capacity, and his reply was rather over-confident. In a written answer, he said:

"Some 10 new projects are currently being developed, which (if they all proceed to commissioning) would more than double GB's gas storage capacity".—[*Official Report*, 13 February 2006; Vol. 442, c. 1467W.]

In November 2007, I asked whether new storage capacity would be provided through the marketplace or price signals, or whether the UK would have a stocking obligation imposed on it. The Minister's response then was that we need more storage and that

"The new planning Bill will help us realise that aim before too many years have passed. That kind of infrastructure needs speedy implementation...and I believe that we have the answer to it."—[*Official Report*, 22 November 2007; Vol. 467, c. 1331.]

Here we are in February 2009, and when I asked the Minister last month about progress on the projects, he said that in 2007-08 no new gas storage facilities were becoming operational. Only 13 million cu m of additional capacity is provided at existing facilities. Progress has been breathtakingly slow, and I am afraid that when I looked at the official list of projects that represent current and future gas storage developments, totalling some 13.5 billion cu m of capacity, I saw the picture as one of continuing delays, timetable slippage and reports of some projects hitting financial difficulties. We are told about the various stages of development, but frighteningly little is under construction. For example, the Portland project, which is an enormous 1 billion cu m facility, recently reported financial difficulties. Gateway Storage and the Esmond Gordon projects have also reportedly hit financial difficulties. Will the Minister please say what new storage capacity he envisages coming on stream in 2010, 2011 and 2012? The next three years could have some tight, challenging supply and demand scenarios during peak winter seasons.

Despite the marginal economics of providing storage and, at least in the short term, the declining availability of bank financing for those projects, the private sector has shown an appetite for working up development opportunities. If the problem is not, by and large, market failure, the delays must be due to regulatory and planning processes, for which Ministers are ultimately responsible.

I want to raise some points about the steps that the Minister could take to create a more benign environment for private investors. We welcome the measures in the Planning and Energy Act 2008 to speed up delivery of energy infrastructure, but the Minister must be aware that there is huge concern in the industry about the time it is taking to develop the national policy statement under the new Act. It seems that it will be at least another year before designation of the relevant national policy statement for gas storage projects. Perhaps the Minister will update us on that.

On cushion gas—the gas that must remain in storage facilities and cannot be used commercially but is used to maintain pressure in the facility—the industry is waiting to hear whether there is an entitlement to capital allowances. It is still waiting for clarification from Her Majesty's Revenue and Customs on that point. Perhaps the Minister will update us on what discussions he has had with Treasury colleagues about the tax status of cushion gas and on when HMRC might be able to clarify that.

Another concern that has been raised with me relates to the rents being charged for offshore storage facilities. I understand the duty on the Crown Estate to extract the maximum rent from offshore projects—especially at a time when the public finances have been smashed to pieces—but I ask the Minister to examine whether those rents are currently a deterrent to investment and whether the public interest might be better served by a more co-operative approach, perhaps along the lines of the regime introduced to stimulate offshore renewable developments.

My final point relates to the problems created for UK consumers by the asymmetry in market liberalisation that currently exists between the UK and the continent. During and following the period of the Russia-Ukraine gas dispute, UK gas stocks were rapidly depleted as large volumes of gas were exported from the UK on to the continent via the interconnector pipeline to help to meet the shortfall created on the continent. What many people would regard, perhaps naively, as our gas—British gas—was pumped out of our storage facilities to respond to demand conditions in Europe. However, we know that that does not necessarily work in reverse. We know from our experience of the winter of 2005-06 that the market on the continent does not necessarily work like that.

Securing additional gas imports when our own storage capacity is inadequate may be tricky because of a range of what the Department describes as

"regulatory, commercial and infrastructure constraints".

In other words, European gas stocks will be much less available to help to meet UK demand spikes than our stocks are for continental demand. In fact, under third

party access rights, up to 85 per cent. of the gas held at our most important storage facility at Rough is potentially available to continental purchasers. Centrica, the British company, gets first dibs on only 15 per cent. of that gas. Forget British jobs for British workers, what about British gas for British consumers?

In addition, with the decline in the value of sterling, gas in UK storage is currently about 20 per cent. cheaper for continental purchasers. A large chunk of Rough's capacity in the coming year is already being tied up, I understand, in European contracts. I do not believe in turning the clock back on liberalisation, but I have gone from being optimistic about European gas liberalisation to being profoundly pessimistic about it. Can the Minister give me any assurance at all that there is progress on creating a level playing field? At the moment, the asymmetry is serving to compound the challenges facing our energy system because of the tightness of supply and the lack of greater storage capacity. When will EU authorities get tough on the continued non-compliance of other European Governments with previous energy directives and EU competition law?

Britain's shortage of gas storage capacity is potentially a critical vulnerability in our energy system. It is driving up wholesale prices during peak times, leaving British businesses and consumers facing higher bills. Instinctively, I do not feel inclined to support a mandatory stocking obligation, but I would be interested to hear the Minister's thoughts on that issue. I want to have faith that commercially held stocks will be all that is required in the future, not some costly strategic stock that is held inactive somewhere and which British consumers will end up paying for. I need convincing by the Minister that there is a practical plan to deliver adequate gas storage for the UK. I would be interested to hear what he regards as adequate gas storage capacity, whether we are anywhere near to achieving that and what plans he has for ensuring that we deliver more.

12.44 pm

The Minister of State, Department of Energy and Climate Change (Mr. Mike O'Brien): I congratulate the hon. Member for Preseli Pembrokeshire (Mr. Crabb) on securing this debate on an issue that I agree is very important. I also agree with him on a number of other things, and let us start with that. This winter, there have been gas shortages across continental Europe caused by the Russia-Ukraine dispute. We have seen the lowest temperatures in Britain in more than a decade. The picture in the longer term is indeed a challenging one. Declining stocks of North sea gas will increase our dependence on gas imports. The hon. Gentleman has cause to be grateful for that, in that his constituency has one of the leading liquefied natural gas terminals where gas is imported. I therefore understand why he has no concern about, or no objection to, a reliance on imported gas. Indeed, I suspect that he is grateful for the jobs in his area that come from that.

However, I do have concerns about the hon. Gentleman referring to "British" gas when he starts talking about the interconnector. He should be grateful that the Europeans and a number of other countries that export LNG are not talking about Qatar gas or whatever. What we have is a market in gas. For a brief period in the last month, it was the case that the interconnector exported gas. However, for most of the month, it was going the opposite way; we were importing gas from continental Europe. Just under one fifth of our gas comes from Norway. When I was previously an Energy Minister, I signed the treaty with Norway that enabled us to have the Langeled pipeline, which ensures that we get a large amount of our gas. During the recent cold snap and during the dispute between Russia and Ukraine, we saw the energy market across the board working very well for the UK. In respect of gas, we were able to ensure that we had adequate energy supplies. We were not in a position, in either of those cases, of being concerned that we would have to disconnect people's gas supply. That was never an issue. No domestic gas supplies, certainly, were ever in the slightest degree at risk. To suggest that the only reason why we did not have a serious problem was the recession is just plain wrong. I do not agree with the hon. Gentleman's analysis at all. It is simply wrong.

Mr. Crabb: The concern primarily is not among domestic consumers; it is among the large industrial users, whose supply will be cut off first, as the Minister understands. However, my reason for intervening is that the popular perception of gas held in British storage facilities is that it is gas for meeting UK demand. I understand and agree on all the points that he is making about the international and European nature of the gas market, but will he accept that when people talk about gas held in UK storage facilities, understandably the man or woman on the street would think of that as their gas?

Mr. O'Brien: I am sure that people will have all sorts of perceptions, but when they look at the way in which the gas market operates and the fact that it operates by and large in Europe to the UK's advantage, they will see that we have a diversity of supply that is facilitated by ensuring that the market operates as efficiently as reasonably possible. The hon. Gentleman mentioned larger industrial users and he is right, because there are what are called interruptible contracts. He knows that; he is nodding. Under those contracts, in order to get a discount in the price, various larger companies say that they will reduce or cease their consumption on request. As it happens, that measure was used a few years ago; I seem to recall that it was briefly used the last time that I was an Energy Minister.

We need to ensure that we have an adequate gas supply, and during both the cold snap and the dispute between Russia and Ukraine, we monitored the situation closely—I was watching it very closely on a day-to-day basis; let the hon Gentleman be in no doubt about that—and we were never in a position in which we had a crisis of any kind. That just was not the case.

The hon. Gentleman raised other issues, on which we do agree. Given our increased reliance on international markets to deliver gas, we need to ensure that those markets are diverse and that we do not become over-reliant on particular sources of energy. Furthermore, there is fierce competition in the global gas market, so prices can vary considerably. In addition, a quarter of our coal and oil-fired electricity generating capacity will close in the next 10 years, which will put even more pressure on gas. Finally, there is the possibility of investment in gas supply infrastructure being held back by the credit

[Mr. Mike O'Brien]

crunch, and I am watching the issue closely to ensure that its impact is absolutely minimised, because it is important that we ensure that supplies come through.

I therefore have no doubt that these are testing times for the energy market, and we need to ensure that it delivers. We must ensure that those of our oil and coal-fired power stations that close are replaced and that there is not a gap, although I do not believe that there will be. Look at it this way: every consumer in the country knows what bills they pay; they know that those bills have gone up and that many of the energy companies are making quite healthy profits. There is a lot of money to be made by those energy companies, and they will supply the energy to ensure that they make those profits. We need to ensure that we have adequate energy supply and that when I turn on the electricity or the gas, it is there, and that is what most consumers want. They will argue about the price, as they should, and we are sometimes in the business of arguing with the energy companies about the price, too.

A lot needs to be done to meet all those challenges, and I agree with the hon. Gentleman that ensuring that we have adequate gas storage is an important component. The Government recognise that, and the fact that last October Parliament passed its largest tranche of energy legislation ever shows the priority and importance that we attach to energy, climate change and the whole agenda. The planning legislation and the Energy Act 2008 were key parts of that package, and they will help with gas storage issues.

We have recently also launched a public consultation on offshore gas storage and unloading, with a view to introducing a new offshore regime later this year. We have also been working closely with the industry to provide advice on the credit crunch, and I have been holding weekly meetings to ensure that we are in the best possible position to deal with the issue.

A lot is being done, but I entirely accept that much more needs to be done if we are to ensure that our gas supplies are secure over the next decade and beyond. The Government recognise that; we are addressing it and we want to ensure that we are in a strong position.

Over the past 10 years, there has been a significant increase in Britain's gas storage capacity. Expansion at the Rough facility off the Yorkshire coast means that it can now meet about 10 per cent. of the UK's peak demand. The Aldbrough facility in east Yorkshire is predicted to become operational next month, bringing in new capacity of 370 million cu m. In addition, 17 new commercial gas storage projects are at various stages of development.

The hon. Gentleman rightly says that all those projects might not happen, and it is correct that companies change their commercial plans from time to time for commercial and proper reasons. However, we have had a whole series of announcements; indeed, only on Friday, Canataxx announced that it has submitted a planning application to Lancashire county council for its Preesall—also known as Fleetwood—storage project in north-west England. At about 1 billion cu m, it would potentially be the largest onshore storage in the UK. I could go through a list of other projects, including the Gateway, South Bain and Caythorpe projects, that are going through the processes at the moment. Their combined capacity would bring 17.3 billion cu m of gas storage if they all went ahead. If we added our existing storage capacity of about 4.4 billion cu m, we could have just over 20 billion cu m of commercial storage capacity by 2020, which is equal to 20 per cent. of our current annual demand.

Why is it that the Germans, the French and a number of other countries have more storage than we do? The answer is fairly simple if one thinks about it. We have North sea gas, and although it is depleting, it will not deplete tomorrow, but over the next three or four decades—it will gently go down. There is a ratio. As North sea gas production declines, we will have to import more gas and will therefore become more reliant on gas imports. At that point, we will need to have more gas storage just in case we have a problem with some of those gas imports. Our North sea gas means that we do not need as much gas storage as countries that do not have their own oil and gas reservoirs, but we need to be aware of the ratio that I mentioned, because as North sea gas declines, imports rise and storage needs to rise, too. Germany has vastly less indigenous gas production than the UK, so it needs much more gas storage capacity now. As a proportion of our gas imports, however, our gas storage capacity is broadly in line with Germany's, at about 25 per cent., and that is an important statistic.

As our North sea gas declines, we will need more gas infrastructure, including storage, and that is why we are bringing forward the 17 projects that I mentioned. At the moment, we have a level of variability in our gas and storage supplies. The Sean and Morecambe fields provide us with a bit of flexibility, so that we can quickly access gas supplies. However, I would be the first to say that the storage facilities are not new and that we need more new facilities to ensure that we have more flexibility of supply.

Mr. Crabb: Just for clarity, does the Minister regard the 25 per cent. measure that he referred to as the benchmark that we should keep in mind as new infrastructure is planned?

Mr. O'Brien: I do not think that we particularly need to measure ourselves against Germany; we need to decide what is right for us, and that, to some extent, will be a market decision. I am not one of those who says that we have to have this target or that target for the amount of storage that we need. We need to have an adequate supply, so that when I turn on my gas cooker, it will light—actually, the ignition does not necessarily come from the gas, but from other sources. However, we must ensure that the gas is there, so that I get the power that I need.

There is another factor to bear in mind: it is not just about profit. It is important to recognise that gas storage is just one of the tools that companies have to ensure that gas supplies are secure. Licensed gas shippers have a legal duty to balance the gas that they put into the network with demand from their own customers on a daily basis. The UK's commercial regime therefore allows demand and supply to balance in the most efficient and cost-effective way, as both sides react to price signals. If the gas shippers fail to balance, they have to pay the national grid at spot price for urgently putting the gas that is needed into the system, so there is a real market incentive. If the shippers have the customers, they have

to ensure that the gas is there; if they do not, they have to pay the spot market price, which could be quite high. Shippers therefore have a real incentive to make sure that there is adequate gas.

The industry's cash-out arrangements are complicated, but they provide real financial incentives for shippers to ensure that they have access to the gas that they need, including in gas storage, which is important. The amount of gas storage or import infrastructure in the UK is decided by the gas shippers on the basis of the price signals that they receive. That is illustrated by the way in which we have been able to deal with the problems of the cold snap and the Russia-Ukraine dispute.

A significant amount of gas infrastructure has been completed over recent years and a lot more is in the pipeline. Many of these planned projects are likely to be completed, and we are carefully monitoring the situation to ensure that we have adequate gas storage supplies in the future. There is always the issue of whether the market will provide, and we need to ensure that it does. We need to create the right planning and legal structures to ensure that the market provides, and that is precisely what the Government have been doing.

Epilepsy

1 pm

Chris McCafferty (Calder Valley) (Lab): Epilepsy is a serious neurological condition that affects nearly 400,000 people in England alone. It is a complex condition and can affect anyone, at any age, in any walk of life. It can have a significant impact on a person's quality of life, as well as the lives of those caring for them. It is estimated that 5 million people in England are affected by the social implications of epilepsy. Only about 50 per cent. of people with epilepsy are seizure-free.

There are numerous guidelines on the treatment of people with epilepsy, the most important of which are the national service framework on long-term neurological conditions, which was published in March 2005, and the NICE clinical guidelines on epilepsy, which were published in October 2004. Those documents both contain clear guidelines on the diagnosis, investigation, classification and treatment of epilepsy and on access to services and how people with epilepsy should be able to live from day to day. The Government also published an action plan for epilepsy in February 2003, which committed them to an increase in spending on epilepsy services.

The key concern for epilepsy patients, however, is whether any of the guidelines and action plans have led to actual improvements in services. The all-party group on epilepsy sought to determine that through an inquiry into services, and in June 2007, it published a report on the human and economic costs of epilepsy in England, entitled "Wasted money, wasted lives". The report found that the NHS was failing people with epilepsy and that a much improved service was desperately needed. It concluded that a catalogue of failures in the care and treatment of people with epilepsy had resulted in about 400 avoidable deaths a year and £189 million in wasted funds.

As the NICE guidelines for epilepsy came up for review in the autumn of 2008, Epilepsy Action, supported by UCB Pharma, undertook a further review of service provision, with a view to understanding whether the care guidelines had led to any improvements in the provision or delivery of services. Epilepsy Action, supported by the health informatics team at Sue Ryder Care, then carried out a further survey of all primary care and acute trusts in England, to gain an insight into the pattern of service provision for epilepsy patients. Alongside that study, Epilepsy Action conducted its own survey of people living with epilepsy, to try to understand their personal experiences of the NHS in the past couple of years.

The findings of all the surveys were brought together in the new report, "Epilepsy in England: time for change", which was launched at an event in Parliament on 14 January. The report showed that, despite the prevalence and severity of epilepsy, it is largely being ignored by those delivering local services and that service levels are still falling well below the recommended guidelines. Despite the fact that NICE guidelines state that all people with suspected epilepsy should be seen by an epilepsy specialist, half of acute trusts do not even employ one. Even though they state that all people with suspected epilepsy should be seen within two weeks, more than 90 per cent. of trusts have waiting lists much longer than that. Despite the fact that epilepsy specialist nurses should be

[Chris McCafferty]

an integral part of the medical team providing care to people with epilepsy, well over half of trusts—60 per cent. of acute trusts and 64 per cent. of PCTs—do not have one.

There are huge discrepancies in the ways in which PCTs and acute trusts currently gather and collate information on epilepsy. It was found that many trusts do not even hold basic data on the prevalence of people with epilepsy in their region. Only 18 per cent. of PCTs were able to report the number of children with epilepsy, which makes planning for transition services from paediatric to adult care almost impossible. Patient access to specialist clinicians is being compromised by the fact that only 51 per cent. of acute trusts have at least one consultant neurologist with a special interest in epilepsy, and only 76 per cent. have a consultant neurologist at all.

Mr. Paul Truswell (Pudsey) (Lab): I congratulate my hon. Friend on securing the debate on such an important topic. She may well be about to come on to this point, but does she agree that one of the most disturbing findings of the research was that the lack of specialist care that she so eloquently describes led to a 20 to 30 per cent. wrong diagnosis of epilepsy? Not only are resources removed from services that should go to people who have epilepsy, but that is poor value for money for the taxpayer.

Chris McCafferty: I thank my hon. Friend for that knowledgeable insight. The previous report showed that 69,000 people live with unnecessary seizures and 74,000 take anti-epileptic drugs that they do not need. The regularity of avoidable deaths, of which there are about 400 a year, is shocking, and the money wasted in delivering inadequate and in some cases acutely wrong services is as appalling as the unnecessary deaths.

Unfortunately, the majority of epilepsy patients wait more than two weeks for an appointment with a specialist after their first seizure. In some cases, they wait between 17 and 24 weeks, which I suspect makes a correct diagnosis even more difficult. A very low number of PCTs and acute trusts have the right equipment to carry out essential diagnostic tests, and that causes delays in diagnosis and treatment. Taken together, the surveys, sadly, paint a picture of poor service provision. Epilepsy appears to be a forgotten condition, and patients are falling through the cracks in the system. Government and NICE guidelines, which set a minimum standard of care, are simply not being adhered to.

Epilepsy organisations have pointed out that primary care trusts often seem powerless or unwilling to implement improvements. Reasons given for non-inclusion in local delivery plans were that national targets took priority and left insufficient funding to enable health trusts to implement the NICE guidelines. Doing so will require serious investment of as much as £150 million per year, but in real terms that is only £340 per person with epilepsy.

To address the shortfalls in service provision for people with epilepsy in England, the new report calls on the Government and policy makers to take a lead in driving improvements in epilepsy service provision. That includes implementing the following 10-point plan. To ensure that people with epilepsy have access to the services that they deserve, we should appoint a national clinical director for epilepsy, to review service provision in England, and lead change. We should define, in the NHS constitution, a patient's right to care to the standards outlined in NICE clinical guidelines.

We need to ensure that local commissioners carry out a formal review of the local implementation of the NICE epilepsy guidelines, and develop plans to ensure that they are met. We must ensure that NHS work force planning focuses on the recruitment and training of sufficient epilepsy specialist consultants and nurses in order to allow trusts to deliver the NICE guidelines; and we must ensure that PCTs build a clearer picture of the epilepsy population in their areas, especially among the under-18s, and factor that into their review.

We should commit ourselves to ensuring that all patients with suspected epilepsy see an epilepsy specialist consultant within two weeks; and ensure that all acute trusts have adequate diagnostic equipment, in line with the patient population that they serve. We must also ensure that all patients receive an annual review of their epilepsy; and ensure that transition services are in place for children moving to adult epilepsy services, and that they are effective. Lastly, we must ensure that all patients with epilepsy who want a comprehensive care plan have one.

I know that the Minister is interested in the matter and that she has responded positively in the past. I therefore I ask her to ensure that the Government urgently put in place a programme to increase the number of neurologists and other relevant clinicians to levels recommended by the Royal College of General Practitioners. The Government should also ensure that the Healthcare Commission carries out an improvement review into the state of epilepsy services, formally assesses the provision of epilepsy services in individual healthcare organisations and develops an action plan to improve services that are shown to be failing people with epilepsy.

1.11 pm

The Parliamentary Under-Secretary of State for Health (Ann Keen): I apologise, Mr. Taylor, for my late arrival. It was the result of an unexpected incident in Parliament square.

I congratulate my hon. Friend the Member for Calder Valley (Chris McCafferty) on her success in the Speaker's ballot and on choosing epilepsy services as her subject. I know that my hon. Friend has a strong and long-standing interest in the matter. She has raised a number of important points. My hon. Friend the Member for Pudsey (Mr. Truswell) made some strong points in his intervention; I know of his personal and constituency interest in the subject through his membership of the all-party group on epilepsy.

As my hon. Friend the Member for Calder Valley indicated, a number of reports in recent years have covered epilepsy services, most recently the Epilepsy Action study of epilepsy service provision in England, which was published last month. They all highlighted the fact that services continue to fall far short of the standards that people with epilepsy have a right to expect—and I agree that services are still not good enough.

Epilepsy Action's report cites the failure of primary care trusts to implement National Institute for Health and Clinical Excellence guidance. I welcome that hard-

hitting report, which in many ways is exactly what we and the NHS need to hear. Those messages are for all who commission and provide services, and I will be writing to strategic health authorities to draw their attention to the report's recommendations.

It is important, however, to emphasise that clinical guidelines are not mandatory in the same way as NICE technology appraisal guidance. The purpose of clinical guidelines is to support clinical decision making, and they can also assist PCTs in service development and redesign. Health professionals must be free to use their clinical judgment and, in consultation with the patient, to decide on the most appropriate treatment options, taking account of individual clinical factors. Clinical guidelines include making an assessment of both clinical effectiveness and cost-effectiveness, so it is clearly in the interests of PCTs to implement the recommendations when appropriate.

NICE's implementation directorate has taken considerable steps to improve the support that it makes available to the NHS in order to raise awareness and implement the guidance. It has published a commissioning tool to support the development of effective services for the accurate diagnosis of epilepsy in adults. The tool helps PCTs to estimate and inform the level of services needed locally, as well as the cost of making local commissioning decisions. NICE also employs implementation consultants, who work with a range of NHS staff, including clinicians in local NHS organisations, to spread best practice and to share concerns on the implementation of NICE guidance. The Government recognise their role in supporting the NHS to plan and prioritise.

The need to plan for NICE guidance is included in the prioritising investment competency for world-class commissioning. Those competences describe the knowledge, skills, behaviours and characteristics that will need to be developed by PCTs in order that they can reach world-class commissioning status. The competences are underpinned by an assurance system, which holds commissioners to account and which will drive performance and development. The assurance system will be nationally consistent and managed locally by strategic health authorities.

However, I believe that we can do much more from the centre. The Government have a strong role to play in encouraging and supporting the NHS to improve the care that it provides. Through a series of workshops, we are working with NHS commissioners and the third sector to improve commissioning for neurological services. I have asked epilepsy stakeholder groups to be invited to those workshops; the importance of implementing the NICE guidance and the particular issues for epilepsy services should be fully integrated into the sessions.

I have emphasised the importance of effective commissioning in delivering high-quality, accessible services. However, an often-voiced concern is that without robust data PCTs cannot effectively plan and commission services. The development of a national dataset is a key part of the programme of work needed to support the implementation of the national service framework for long-term conditions. My hon. Friend will be aware that the NSF published in 2005 focuses on improving services across England for a range of neurological conditions, including epilepsy.

When implemented, the dataset will be used at a national level to monitor the achievement of NSF standards and quality requirements. The dataset will also support secondary use functions. At a local level, it will be used by clinicians and managers for commissioning, clinical audit and research and performance management, and it will help to drive up standards and the quality of care.

Quality, of course, is key to my ministerial colleague, Lord Darzi, and his next stage review of the NHS. Indeed, quality is key to all ministerial portfolios and to all hon. Members. The next stage review, a once-in-a-generation review of the NHS, involved more than 2,000 local clinicians working with many more thousands of patients, members of the public and others to develop regional visions for improving health and healthcare services for all. The national report "High Quality Care for All" responds to the challenges of delivering the visions developed locally. It sets out wide-ranging proposals that place quality of care at the heart of everything that the NHS does, particularly in empowering patients and staff to secure the effective and personalised care that we expect for ourselves and our families.

A key component in the drive to improving the quality of care across the NHS will be the establishment of a national standards board to advise Ministers on the priorities that NICE should adopt when setting standards for the NHS. The board will also advise on whether there are any conditions that require closer attention from the Department. Clearly, that could be an important lever to support improvements to epilepsy services. I encourage all concerned to get involved. I have asked Department officials to explore the mechanisms for referring the matter to the board.

The next stage review also reinforced our commitment that everyone with a long-term condition who wants a personalised care plan will be offered one. Care planning is, of course, key to delivering the services and support needed by people with long-term conditions, such as epilepsy, to self-manage their condition in partnership with their care teams. We are developing a range of tools and resources to support the NHS and its partners in delivering this commitment. That includes a suite of guidance documents, starting with a guide for commissioners, which we published last month. The aim of this guide is to provide commissioners with the information and support that they need to embed care planning in their localities. It should help them to achieve truly personalised services, promoting health and well-being and ensuring proactive, planned, co-ordinated and integrated services.

Effective and personalised care planning also requires patients to feel more involved in their care and empowered to participate in decision making.

Mr. Truswell: Quite rightly, this debate concentrates on the urgent challenge of addressing the clinical needs of people living with epilepsy, but does the Minister agree that we need much more joined-up thinking across Government about the provision of services to people with epilepsy? For example, we need more training of people whose professional lives bring them into contact with people living with epilepsy. We need to monitor the incidence of sudden unexpected deaths from epilepsy and how we support bereaved families. We need to ensure that the education system supports young people living with epilepsy. How can we achieve that joined-up thinking?

Ann Keen: My hon. Friend is right that we must work together more closely, and I think that the new children's health strategy, launched in the past few weeks, will help us to do that. The Secretaries of State for Health and for Children, Schools and Families meet regularly, and the issues concerning young people, especially in the education system, are being worked on at all times.

It is not easy to admit to having epilepsy. Sadly, a stigma is still attached to the condition, for the person and their family. We should therefore do everything and anything possible to bring the condition out into the open, so that it can be discussed in a professional way and so that people can feel safe and competent working, studying and being with people with epilepsy, whether in a family, social or any other setting. That is long overdue. I commend Epilepsy Action for its work in bringing the condition to the forefront. In particular, however, I commend the all-party group on epilepsy and its sterling work on this subject. It is easy to talk about empowerment and the creation of workshops, but at the end of the day most families living with epilepsy do not necessarily feel empowered, so that work must begin at a grass-roots level. We can do that best if we try to rid ourselves of the horrendous stigma still attached to this serious and unexpected neurological condition.

Patients need good information to make the most of this process. NHS Choices is one of a number of initiatives that we have developed to provide comprehensive, clinically-accredited information about health and health services. As part of the ongoing development of the NHS Choices website, we will shortly be publishing an NHS guide to epilepsy. Different age groups and people with different abilities will be able to access this powerful tool of empowerment. The guide will provide comprehensive information about symptoms and diagnosis, as well as treatment options and information about living with epilepsy. It will also include data indicators providing information about how local services perform, which is exceptionally important for families and patients. Although the proposed performance indicators are still subject to agreement, it is hoped that these, where possible, will reflect aspects of care congruent with NICE guidance.

Through the NSF and NICE guidance, we have set out our very clear expectations on services for people with epilepsy. Through world-class commissioning, the dataset and our work with commissioners, we have provided the levers to commission services that meet these expectations. We also continue, as part of the Healthcare Commission inspection regime, to require people to work in accordance with both NICE guidance and the NSF. The NHS next stage review has reaffirmed our vision of services shaped around people and that continuously improve quality. We have identified ways in which we can realise these aims for all patient groups.

I welcome this debate and share my hon. Friend's desire for people living with epilepsy to receive the services they need and deserve. I shall not accept excuses from local commissioners and primary care trusts that the problem is with other targets or the provision of resources. That argument is exceptionally easy to make when really people need to say, "We need more help with commissioning. We do not know where to start." That is understandable in a very complex PCT setting, where individual needs are being met locally. However, I find it difficult to accept excuses for why things are not happening when we are putting in place a framework to provide assistance. I can assure my hon. Friends that we will continue to provide support and encouragement to the health service to ensure that those living with epilepsy receive the services that they need, and I shall do all that I can on this very serious subject.

NHS (Co-operation/Competition)

1.26 pm

Dr. Richard Taylor (Wyre Forest) (Ind): It is very nice to see you in the Chair, Mr. Taylor, and it is good to see the Minister in his place, because in my experience he is a listening Minister who takes note of what people say and tries to answer questions put to him.

The Government have just founded another panel—the co-operation and competition panel—which is such a crucial development in the NHS that I thought that we should shout it from the rooftops. I realise that there are not many hon. Members here, but at least this debate will get into *Hansard*, which hopefully means that it will be widely read, because this panel is crucial. When I started thinking about this subject, I thought that the words "co-operation" and "competition" were the opposite of each other. I was browsing around and came across something that John Ruskin said in 1862:

"Government and cooperation are in all things the laws of life; anarchy and competition the laws of death."

I do not quite hold to that extreme view, and as can be understood I was staggered when, again while browsing, I came across new clause 4 of the Labour party constitution, which I had never come across before. In part, it refers to

"a community in which power, wealth and opportunity are in the hands of the many not the few, where the rights we enjoy reflect the duties we owe…in which the enterprise of the market and the rigour of competition are joined with the forces of partnership and co-operation".

There we have the origin of this apparent paradox between those two particular words. The scene for competition was set by the previous Government in the 1980s and 1990s with the purchaser-provider split, contracting and so on, and that approach is now espoused in the constitution of new Labour.

A very significant change in words has taken place. We no longer talk about NHS services, but about NHS-funded services, which immediately poses the question of whether NHS services will now be provided by a wide range of organisations. For someone such as myself who grew up passionately believing that the NHS could cope and work so well that the private sector would not be needed, it goes against the grain to accept that there are possible benefits to competition. When parts of the NHS are unable to improve, there is a place for competition. As we are so firmly set on this path, we must accept that it is the only way to go. There is not much point in trying to fight against it. In the *Financial Times* a fortnight or so ago, the appointed chairman of the panel, Lord Carter of Coles, said:

"But once you have created a market as the NHS has, up to a point, the law of unintended consequences kicks in and big issues arise. People want clarity about what the contracting relationship should be."

He goes on to say that the shift to the more competitive market for health services is "inexorable" and that

"ultimately most things will be contested."

In the 1980s, when I was on the local health authority, domestic services were being considered for privatisation. Domestic staff were about to go on strike, but we explained to them that such an action would do no good. We told them that the only way they could compete was to put in a competitive tender. They did that, and they won the contract and retained the services.

I have two messages to give during this debate. I say to NHS staff that it is possible to win a tendering process, and to the Government I say that the tendering process has to be fair and on a level playing field for all potential providers. Richard Smith, a former editor of the *British Medical Journal*, had almost a Damascene conversion. In 2008, in the journal of the Royal Society of Medicine, under an article entitled, "The NHS: losing my religion" he said:

"There would be regulated competition, because, much as we might bemoan the fact, competition is one of the few drivers that can consistently deliver higher quality and lower costs."

If regulated competition is really what the co-operation and competition panel is going to promote, then I for one welcome it.

I now want to address some of the information that we already have about this panel. The information is voluminous to say the least. There has been not just one consultation, but four separate ones. I welcome the statement about the target audience. Such an audience includes commissioners, providers of health services—including GPs—and patients and other interested parties. In other words, it includes everyone. I hope that notice will be taken by all interested parties and that they will get in some responses.

On page 4 of the consultation document, the seven criteria for consultation are listed. I will not go through them all, but let me mention a few. Consultation must be early enough to influence the policy outcome. The process must be at least 12 weeks or longer; it must be clear and have an appropriate scope, and the analysis of it must be open and honest. Those criteria, which came out in July 2008, reflect the Cabinet code of practice that was published in January 2004, and they are welcome and timely. I often refer to my election to this place. If consultation had gone according to those criteria, I am sure that I would not be here. During the downgrading of my hospital in 1997 to 1998, consultation was a complete mockery. Analysis of the responses was decidedly odd. There was no consultation over the private finance initiative. The initiative was portrayed as the only game in town.

Bringing us right up to date, the NHS Support Federation has recently compiled a report on public consultations around GP-led health centres. The executive summary says:

"A survey of all 152 PCTs showed that there were wide variations in the timetables and approach to consulting taken by each PCT and even confusion about the need to consult at all."

Some of the PCTs said that, because it was Government policy, they did not need to consult on it. The report then looked in detail at the consultation of 37 PCTs outside London to consider the consultation process. It said:

"Only 22 per cent. of PCTs are explicit in their consultation documents about the fact that a new health centre could be run by a commercial or voluntary sector provider."

It went on to say:

"2/3 of PCTs do not ask local people whether they agree with the overall plan for a GP-led health centre; 16 per cent. provided less than 12 weeks for responses…only 16 per cent. of PCTs asked about the importance of the distance of travel to the new health centre".

[Dr. Richard Taylor]

There were many deficiencies in that consultation, which took place after the Cabinet guidelines of 2004 and probably before the latest criteria of July 2008. The report concluded:

"There is a need for far greater accountability of NHS bodies and providers especially in the new market-based era for the health service. Diminishing is the inherent protection of a public service ethos. Public consultation is therefore an essential check to safeguard the public interest."

Let me turn to the principles and rules for co-operation and competition that are mentioned on page 6 of the document. It says:

"The aim of the Principles and Rules is to ensure seamless services for patients; foster patient choice, transparency and fairness; encourage competition for NHS-funded services; and establish the ground rules for mergers and other transactions involving an NHS body."

I should like to pick out one or two of the principles. Again, I will paraphrase rather than quote them. They say that commissioners must commission from the best providers. That is both obvious and correct. Commissioners and providers must co-operate to produce a seamless experience without boundaries and with continuity. This is where co-operation comes in. The Department of Health is talking about co-operation between commissioners and providers. Another principle says that commissioning and procurement should be transparent and non-discriminatory. I hope that that refers to the level playing field that I want to see. Another principle says that the payment regime must be transparent and fair. I hope that that means we will not have any loss-leaders, because loss-leaders from the commercial sector would not help.

On page 10, the document says that the panel will work closely with stakeholders. Absolutely correctly, the first group of stakeholders mentioned are patients and the public, but the document does not go into detail on how they are going to be involved. The document mentions choice, and by choosing and providing feedback, people give a certain amount of comment. It states:

"The public also hold the Government to account for their stewardship of health services, to ensure the taxpayer gets good value for money".

but only once in five years do the public actually hold the Government to account for that sort of thing. I am disappointed that the document does not mention active participation of patients and the public in the form of general practice participation groups and local involvement networks, which should have been set up for exactly such processes. Digressing for a moment, it appears that LINks are rather slow in forming and becoming functional, and the all-party parliamentary group on patient and public involvement in health has been rather distressed by the delay. It is crucial that the panel communicates with LINks.

On mergers, the place of overview and scrutiny committees is mentioned, but the place of the independent reconfiguration panel is not. I can see the latter being removed from the field, which would be a great shame, because it has proved its use and independence frequently recently.

We have heard that the Department of Health is talking about co-operation between commissioners and providers, but there has been staggering news in the press recently about much wider co-operation between competitors. It was reported that GlaxoSmithKline has pledged to cap the prices of its drugs to the 50 poorest countries and, amazingly, to pool intellectual property with its competitors. That goes towards the "Webster's" definition of "co-operate", which is:

"Work or act with others for a common end."

The common end for the NHS must always be the patients, to whom it belongs. I just hope that the consultation on the new co-operation and competition panel will result in a valuable body that works to make competition fair and transparent. It should foster co-operation not only between commissioners and providers, but between providers.

1.43 pm

The Minister of State, Department of Health (Mr. Ben Bradshaw): I congratulate the hon. Member for Wyre Forest (Dr. Taylor) on securing the debate. I hope that he will forgive me, but I was looking forward to a more philosophical debate on competition and co-operation in the NHS before I was pre-warned that he was going to talk about the more technical issue of the competition and co-operation panel, which I will mention later.

I recognise the good work of NHS staff throughout the hon. Gentleman's constituency. They are delivering a better health care service than ever, which benefits his and other hon. Members' constituents. Perhaps more than anyone else in the House, he has demonstrated his commitment to the NHS in 50 years of dedicated service. We should all be grateful that he continues his dedication in a different way in the House.

When this Government came to power, we found the NHS on its knees. It was chronically underfunded, woefully understaffed and provided a service to patients that was unacceptable in too many cases. The immediate and urgent answer was sustained and substantial investment combined with a strong direction from the centre. Having resuscitated the patient in the years after 1997 and addressed some of the pressing capacity problems that we faced, the next challenge was to build a health service that was more responsive to the public's modern-day expectations. That is where choice and competition come in.

The NHS was built on two enduring principles: that health care available to all is free at the point of need and funded by the taxpayer. Those principles have not changed over 60 years, and they will not change as long as we have a Labour Government. However, in every walk of life, the current generation is used to exercising informed choices. People are no longer prepared to accept gratefully from the state services over which they have no control and little say. The medical evidence suggests that engaged patients are healthier patients. Being involved in decisions made about one's health care improves results and speeds recovery.

However, as the hon. Gentleman acknowledged, there is another important reason for providing choice and an element of competition in the NHS: it helps to drive up standards. General practitioners or hospitals that know that they will lose money if their patients choose to go elsewhere face a strong incentive to improve the quality of the services that they provide.

The diverging health policies of the constituent parts of the United Kingdom amount to an interesting experiment. Scotland and Wales have not followed England

down the path of choice and competition. In fact, in many ways, their health policies are going in the opposite direction. It might be too soon to say with certainty which approach is better, but if we look at performance against amounts of money invested and public satisfaction levels, we will see that England is doing far better. We have considerably shorter waiting times and better GP access.

Bob Spink (Castle Point) (Ind): The Minister is right to stress fostering patient choice. Will he explain how the move towards health centres—closing down individual GPs and moving them to major centres—will foster patient choice on GPs and pharmacies? Centralising pharmacy services puts individual pharmacies at great risk.

Mr. Bradshaw: None of the new GP-led health centres, which are in every primary care trust area—I think the hon. Gentleman is asking about that—will involve the closure of existing services. The centres are extra capacity, over and above existing services. Any of his constituents who want to use the new GP-led health centres because of their convenience and long opening hours will be able to do so while remaining registered with their existing GPs. It is an extra rather than an alternative service, so it should not have the detrimental impact on existing GPs that he fears.

The founder of the NHS, Nye Bevan—a Welshman—understood that how services are delivered and who delivers them is never as important as the quality of the healthcare provided.

In England, what do we mean by competition? Competition is not and never will be about the privatisation of the NHS. The health service is concerned with patients' needs, not shareholders'. The hon. Member for Wyre Forest has raised the spectre of health care in the United States in the House. In my view, the US has the kind of competitive health market that is disastrous in terms of both cost and the results for the American people. America spends twice as much of its gross domestic product per head on health care as we do, yet it has worse health outcomes. Some 50 million Americans have no health cover at all. Providers in America compete first and foremost on price, and insurers battle to gain market share by stripping the services that they provide to the bone, while pushing their costs ever higher. In our system, providers do not compete on price: they have to compete on quality and patient experience. As the American academic and big fan of the NHS, Professor Michael Porter, said:

"The fundamental flaw in the health care sector is not competition, but the wrong kind of competition".

I believe that in England we have the right kind of competition: it increases value to the patient and the taxpayer.

Competition operates on two levels in the NHS. First, PCTs, holders of around 80 per cent. of the entire NHS budget, commission services from a wide range of providers based on the expressed needs of their patients. Public sector partners, social enterprises and private companies all compete to supply PCTs in a free, fair and transparent way. It is the job of the local NHS and local PCTs to hold providers to account through their contracts. The end of a contract is an opportunity for the PCT to see whether there is a better provider of care for its patients. If the current contract holder is still the best, the PCT will keep it. If not, it will not. As the hon. Gentleman has acknowledged, PCTs need to see it as their role not to commission services in order to prop up a local underperforming or failing provider, but to get the best services and best value possible for their public.

The second level of competition is patient choice. Today, patients—in most cases, we hope, with the support of their GP—play a significant and growing role in choosing their treatment and where and when they are treated. That ability to choose will soon be enshrined as a right in the NHS constitution. I am tired of hearing the frankly patronising line that patients do not want a choice. It is nonsense and, I am afraid, reflects the remnants of an outdated paternalism in which doctor or bureaucrat always knew best. In the recent British social attitudes survey, 95 per cent. of people said that they want some choice over which hospital they attend and what treatment they receive. As more people learn that they have a choice, more people are making one.

As the hon. Gentleman has acknowledged, this debate is not just about competition; it is also about co-operation. I am grateful to him for his historical references not just to Ruskin but to the more recent event—I am embarrassed to say that I did not pick up on it in researching my speech for this debate—of my party's replacement of clause 4 of our manifesto. As he rightly said, although some people see co-operation and competition as mutually exclusive principles, the co-existence of which creates an unstable tension at the heart of current health policy, I do not agree—nor, I believe, does he.

For a patient, any one provider or service is only one part of the story. Patients do not care and need not know that a range of organisations are taking care of them; they just want to deal with the NHS. Everything should happen seamlessly behind the scenes. Without the in-built fundamental principle of co-operation, as the hon. Gentleman said, that would not be possible. Far from being mutually exclusive, co-operation is a vital and necessary counterbalance to competition to ensure seamless and high-quality care.

Holding the ring, we have the local NHS, through PCTs, the strategic health authorities at a regional level, the NHS boards and, ultimately, the Department of Health and its Ministers at a national level, to intervene where necessary. Recently, we have added to that mix by forming the panel on co-operation and competition to give people confidence that, where arguments or disputes cannot be resolved locally, there is a fair, transparent and independent process. The hon. Gentleman is right to highlight that important development. It is a shame that it has not got more publicity outside this place. We have created, in effect, the NHS's own Competition Commission. Under the chairmanship of Lord Patrick Carter of Coles, it will provide impartial, expert advice and recommendations on specific disputes. If an independent provider, a social enterprise or an existing NHS provider feels that it has not been given a fair crack of the whip in bidding for a contract and the dispute cannot be resolved by the SHA, it will have somewhere trusted to go to settle the dispute.

As the hon. Gentleman acknowledged, the principles for the panel's operation are laid down in the principles and rules for co-operation and competition, which effectively set out the NHS's first ever competition policy. They outline the rules governing choice, co-operation and competition, and detail the behaviours that we expect of

[Mr. Bradshaw]

commissioners and providers. Their aim is to ensure fairness by putting the interests of the patient and the taxpayer first.

The hon. Gentleman raised a number of specific questions about the panel's workings. I was thinking as he made his speech that Patrick Carter or some of his colleagues from the panel might be prime candidates for an invitation to give evidence to the Select Committee on Health, on which the hon. Gentleman sits, so that he can ask the sort of detailed question that he asked here directly of Lord Carter. Indeed, he could also seek a meeting with Lord Carter himself, who I am sure—although I hesitate to add to his diary commitments—would be happy to meet with him or other hon. Members to go through some of the issues.

I want to reassure the hon. Gentleman about the role of local involvement networks. We certainly think that the panel should seek representations from LINks in its investigations. The role of the independent reconfiguration panel will depend on how fundamental a service change is being proposed in any particular case. I am glad that he acknowledges the panel's important work in helping to resolve the issues and to take the politics out of controversial local proposals and disputes on the reorganisation of services. Clearly, it will still be up to the democratic lock at local level—the overview and scrutiny committees—to decide whether a full consultation is necessary on a proposal or, if they do not agree with a proposal, to refer it to the independent national reconfiguration panel. That will remain the case. It will depend on their view of how important the proposal is.

The mix of competition and co-operation in the NHS is a unique model in the world. It is, in my view, no accident that Governments around the world, including Barack Obama's, recently elected Administration in America, look to learn from our NHS as they address the serious crises in their own health care systems. I think the hon. Gentleman gives us the benefit of the doubt on having got the balance about right. I agree, and from all the recent international comparator studies of different health care systems, the international experts seem to agree, too. In its latest annual report, the prestigious Commonwealth Fund in Washington rated the UK as one of the highest performing health services for the past three years. It specifically praised the NHS on quality, managing chronic illnesses and access to primary care. It also highlighted the NHS as one of the most cost-effective systems of health care. Harvard medical school's Donald Berwick called the NHS the

"bridge between the rhetoric of social justice, and the fact of it."

The people of this country seem to agree. The latest public attitude survey shows satisfaction with the NHS to be higher than at any time since we began measuring it and dissatisfaction to be lower than at any time since the 1980s, although, of course, one will not read any of that in our newspapers; the good news on the NHS is no news as far as most of our media are concerned. That has been achieved through unprecedented investment and reform, getting the delicate balance right between the principles of competition and co-operation, and staying true to the founding values of the NHS, as well, of course to the amazing skill and dedication of those who work and have worked in the NHS, including the hon. Gentleman himself.

Question put and agreed to.

1.57 pm

Sitting adjourned.

Westminster Hall

Wednesday 25 February 2009

[MR. EDWARD O'HARA *in the Chair*]

Inbound Tourism

Motion made, and Question proposed, That the sitting be now adjourned.—*(Chris Mole.)*

9.30 am

Hugh Bayley (City of York) (Lab): Let me begin by thanking Mr. Speaker for granting this important debate. Three weeks ago, in business questions, I called for an advertising campaign to promote inbound tourism to the UK and take advantage of the fall in the pound's value against other currencies. I called for the launch of an advertising campaign in the eurozone and the United States along the lines, "Come to Britain for your holidays at 30 per cent. off last year's price." The Leader of the House encouraged me to apply for a Westminster Hall debate, which I did, and Mr. Speaker granted it immediately—a good thing too.

We need to debate this issue now because the recession that we are going through will be severe, but if we market the UK's tourist attractions intelligently, tourism could do a lot to reduce its impact. In times of economic downturn, most people become nervous about their job or concerned about the future of their business, but the vast majority do not lose their job or business, and they still go on holiday. A recent VisitBritain survey on the attitudes of the British public on taking holidays in the current economic conditions has found that the majority see a holiday as a necessity, not a luxury. With the exchange rate being what it is, there are opportunities to attract more tourism from people in other countries—I hope that that will be the primary focus of the debate. Changes in the exchange rate have made Britain much cheaper to visit now than it has been in recent years. Similarly, there are also opportunities to persuade more British people to holiday in this country, because holidays in Europe will cost some 30 per cent. more this year.

The recession is not a home-grown one, like those in the '70s, '80s and '90s, which were linked to runaway inflation or the lack of competitiveness of British businesses, particularly old-style industry. This is a truly global recession that affects people in all countries, certainly in the developed world. I spent last week, during the parliamentary recess, attending meetings of the NATO Parliamentary Assembly's economics and security committee, which I chair, so I know that the problems that we face in the UK, and the sort of policy responses that we are developing, are mirrored in north America—in the United States and Canada—and in Europe. Our colleagues in those countries are doing similar things to us, and we all face similar problems. In a downturn, most people, even those who keep their jobs and whose income does not fall, look for ways of economising. That creates opportunities to promote the UK as a tourist destination for people in Europe and north America.

I shall go on to talk about international marketing, but first I should like to talk about my own city, because tourism is about the local tourist experience. When people remember a good holiday or day out, they think about having attended a football match or a brilliant concert, having gone to a memorable museum, or having visited a fantastic market, book fair or shopping centre. They think about a great pub or restaurant, or a particularly good hotel. Those are the things that people remember. The tourist experience takes place on the streets of my city and in the cities, towns, villages and areas of the countryside represented by other hon. Members.

Mr. Andrew Smith (Oxford, East) (Lab): I congratulate my hon. Friend on securing this important debate. Tourism is certainly as important in Oxford as it is in York. Does he agree that to enhance the experiences he has mentioned, there needs to be continual investment to upgrade facilities? According to the Federation of Small Businesses, both HSBC and Barclays are operating a blanket ban on loans for investment in the hospitality industry. Does he agree that that is disgraceful and that the Minister ought to take this matter up with her colleagues and get something done about it?

Hugh Bayley: That is not only a disgrace, but extremely short-sighted, because, with investment, the hospitality sector can respond quickly to attract more customers and to grow businesses. I should think that those are exactly the sort of businesses that high street retail banks should consider investing in, because they can give a return in the current economic conditions. My right hon. Friend knows what he is talking about not only as a former Treasury Minister—indeed a former Cabinet Minister in the Treasury—but as the representative of one of the great international tourist cities of the world. I know that he is as proud of Oxford as I am of the city of York.

Mr. Mark Field (Cities of London and Westminster) (Con): I am not suggesting for one minute that the right hon. Member for Oxford, East (Mr. Smith) is entirely mistaken. However, in my central London constituency—I hope to catch your eye later, Mr. O'Hara, because tourism is important here in London—I recently had a meeting with the small business bureau of Barclays bank. Its view is that it will continue to promote businesses in hospitality and other industries in central London. Perhaps the right hon. Gentleman was referring specifically to new business ideas, rather than to existing businesses. The message that I got from Barclays, at least, was that it is business as usual for its existing customers, and that it is doing its level best to promote customers who have a long-standing record with it and those who have an important part to play in the tourism trade, to which the hon. Member for City of York rightly refers.

Hugh Bayley: That is welcome news up to a point. It is very good that the banks are standing by their existing customers, but I want to make the case for increased investment in and expansion of tourism. I hope that the banks will take serious commercial decisions, as they always do, without closing off opportunities for investment in particular sectors.

Mr. Andrew Smith: In light of what the hon. Member for Cities of London and Westminster (Mr. Field) has said about different criteria being applied, which may be the case, let me give more detail about the source of my earlier comments. A banking consultant recently told a meeting of the Oxfordshire Economic Partnership

[Mr. Andrew Smith]

that he had been with Barclays the previous day and had been told that, whatever the Government did, Barclays had no intention of extending credit to businesses in the hospitality sector. I have heard the same about HSBC.

Hugh Bayley: I should like to underline the importance of continuing investment and of having a high-quality product, because the most important marketing opportunity for tourism business is word of mouth. If people have good experiences, they will come back, and they will tell their friends about it. Some 80 per cent. of visitors to the City of York are return visitors. People do not return to places if they have had a poor time there or if they suspect that they would have had a better time elsewhere.

York is a special city, and is one of the great global must-visit destinations. We get 4 million visitors a year, 600,000 of whom come from abroad. Those visitors spend £360 million in the local economy, which is an increase in real terms of 77 per cent. since 1993. Tourism supports more than 10,000 jobs in York and, since 1993, there has been a growth of 27 per cent in that figure. Our top inbound markets are the United States of America and Germany, as well as the Netherlands and Belgium, because in north and east Yorkshire we are particularly well served by direct ferries from the low countries.

It is no coincidence that European countries with low-cost airline flights connecting them to the UK are places in which we market UK tourism; indeed, we need to market breaks in the UK in every region in Europe that is connected to the UK by low-cost airlines. For a long time, we have considered low-cost airlines to be a way in which British people can get a cheap break abroad, but aircraft can, of course, take people in two directions. We need to concentrate on marketing in the cities and regions served by those airlines, and doing so is particularly important to tourism in the regions because, although our scheduled airlines predominantly land in London, low-cost airlines serve regional airports.

Twenty years ago, tourism was not always universally popular in York. The hon. Member for Ryedale (Mr. Greenway) will know that people sent letters to the local paper in which they would moan that although the state of the streets was wonderful in the city centre and the tourist areas around High Petergate, the Shambles and the Minster, it was dreadful in residential areas. There is much less of that sort of criticism now and there is a better understanding that tourism brings jobs to York and boosts the local economy. Investment in tourism has made it more upmarket and wages have risen, in part because of the minimum wage, but also because of the commitment of employers in tourism to retaining staff whom they have trained.

Tourism is important to York not just because it brings in visitors who bring in the money that creates jobs, but because it improves the amenities that are available to local people. We in York now have better restaurants and pubs than 20 years ago. We have two theatres rather than one, two new cinemas, and more and better shops. Those improvements have been made possible in part because of the number of visitors to the city of York, but they also provide benefits to local people.

Tourism brings investment. I had a debate in Westminster Hall not long ago in which I sought to persuade the Minister's predecessor, the Minister of State, Department for Innovation, Universities and Skills, my right hon. Friend the Member for Tottenham (Mr. Lammy), that we ought to receive some lottery funding to help with the cost of renovating York Minster's great east window, which is a fabulous mediaeval work of stained glass. It is the biggest mediaeval stained glass window in the world and cost £52 to make 500 years ago—it was going to cost £42, but the craftsman completed the contract within budget and on time and got a £10 bonus. It will cost £30 million to restore, and I am pleased that the lottery provided a £12 million grant, which is one of the biggest grants that it has given in Yorkshire.

That £30 million creates local jobs for stone masons, glaziers, building contractors and scaffolders. Whenever money is invested in the tourist economy, jobs are created not only in the tourism sector, but in the local economy as a whole. Every meeting at York race course brings thousands of visitors to York. When Ascot race course was being redeveloped, York won the competition to host Royal Ascot and that earned an extra £29 million for the region from visitors who came to that event.

When the Minister is listening, I would like to put on the record my thanks to Yorkshire Forward and to the Government, who fund that organisation, for giving the promotion of tourism a particularly high priority. Yorkshire Forward recently decided to invest £30 million in the sector, which it has calculated will generate an additional £300 million increase in visitor spend in the region. My own city of York has benefited directly over the past six years from a number of tourism-related investments made by Yorkshire Forward. The tourism investment fund has paid for lighting schemes in York, interpretation of the bar walls—the city walls—and Patrice Warrener's lighting of York Minster. Yorkshire Forward has also paid for the new visitor information centre at York station and is contributing to the cost of the new visitor information centre in Museum street in the city centre, which will open later this year. The support of Yorkshire Forward helped York to win the title of European tourism city of the year in 2007, and, of course, that organisation has supported tourism in other cities and parts of the region.

It is important to recognise that, as a tourism destination, Yorkshire as a whole is more important than the sum of its parts. York is a great city—and a great city to visit—but it is also a great base for visiting the north York moors, the Yorkshire coast, the dales or, for example, Pickering, which is represented by the hon. Member for Ryedale.

Mr. John Greenway (Ryedale) (Con): A wonderful place.

Hugh Bayley: It is a wonderful place with a wonderful steam railway that is the best in the country.

People go to York to visit the whole county of Yorkshire, not just the city. Across the county, we receive more than 1.2 million overseas visitors who spend some £6.3 billion. The tourism sector in the region supports almost 250,000 jobs. A couple of weeks ago, I met Clare Morrow, who chairs the Yorkshire tourist board, and Gary Verity, its chief executive. They have ambitious new plans to market Yorkshire as a global brand.

Yorkshire particularly benefits from being England's biggest county and from having a clear county identity, which is more valuable than simply having a geographical identity as a region of England. There are many Yorkshire brands to promote, such as cricket, Yorkshire pudding and great local cheese—not just Wensleydale, although we should thank Wallace and Gromit for promoting one of the county's great cheeses. We also have more independent local breweries than any other region in England.

In the past three years, the Yorkshire tourist board has set up a Yorkshire tourism network of six public-private partnerships of which Visit York is one. Its plans have won the support and confidence of Yorkshire Forward, which has increased funding for the tourism sector from about £4 million to £10 million a year. I thank Yorkshire Forward for that vote of confidence in tourism and for recognising the importance that tourism plays in the region's economy. I also thank the Government for providing the funding for that.

Last year, the regional tourist board's survey showed that Yorkshire is bucking the economic trend—indeed, the national trend. Although tourism numbers nationally fell at the end of last year, in Yorkshire they are still rising. There was an 11 per cent. increase in the daily spend of visitors in Yorkshire, a 49 per cent. increase in admissions to visitor attractions and a 21 per cent. increase in shopping. Some 96 per cent. of visitors to Yorkshire say that they would recommend it as a tourism destination to a friend. Some 88 per cent. said that they would visit it again within two years.

The Yorkshire tourist board is promoting the region strongly in four countries—Spain, Germany, the Netherlands and Italy—which are important inbound destinations for Yorkshire. In Spain, it is promoting Yorkshire under the slogan, "Are you ready to sin again?" as part of a marketing promotion based on the seven deadly sins. In the past two years, pride and envy have also been used as marketing metaphors in Spain. I am not sure when we will get around to lust, but I hope that it has the effect of continuing to increase the numbers of foreign visitors coming to Yorkshire.

I shall just say a few things to the Minister before I sit down. We are doing the right things in Yorkshire to promote tourism, but the Government could do additional things to help. They have put on the record their support for a third runway at Heathrow, and, as part of the package, they announced plans for investment in a brand-new, high-speed north-south railway line to connect the airport for the capital with the north of England. For us, that is more important than the third runway, and we are keen to see it developed.

We also want additional investment in regional airports. It is wrong for the UK to base its airports policy on a single primary national airport in the south of England. More use needs to be made of regional airports, but for that to happen there needs to be investment in infrastructure that connects the regional airports to the cities and tourist destinations in the regions that they serve.

We need greater investment through the Department for Children, Schools and Families in teaching foreign languages in schools so that it is easier to welcome visitors from abroad in their own language. I would like an even greater focus on promoting the regions as part of the Olympic offer in 2012. And, in the short term, I would like to see an increase in Visit Britain's advertising abroad of the UK as a holiday destination. The exchange rate position gives us an opportunity to combat the recession with inbound tourism, and now really is the time for it to put everything that it can from its budget into advertising.

Pubs are going through a particularly difficult time. I have spoken with the Licensed Victuallers Association in York. With its support, I am doing a survey of the trading difficulties faced by pubs and clubs in my constituency, and I intend to write to the Department for Business, Enterprise and Regulatory Reform when I have received the results.

It seems that the attempt made by the previous Government to remove the stranglehold that brewers had over pubs by insisting that they divest their pubs to pub-owning companies has not really solved the problem, because it means that the pub-owning company is in a position to know what the pub landlord's turnover is. A normal entrepreneur who rents a shop seeks, by improving marketing and the quality of their products, to increase turnover and profit, and if they do well through their entrepreneurialism they have a better income. If a pub landlord improves the food or décor of a pub, the premises landlord knows what his turnover is—that is part of the terms of the lease—and is able to adjust the terms at reviews to claw back whatever gains the pub landlord has made through his own entrepreneurial flair.

That relationship is different from the one between most premises landlords and owners of small businesses. DBERR ought to look at it and find some way of regulating the rents that people pay to ensure that the pub company gets a fair return, of course, but also that the entrepreneur who runs the pub gets a fair return. That is important for those who run pubs and for the tourism offer of a city such as York.

Richard Younger-Ross (Teignbridge) (LD): I agree entirely with the hon. Gentleman's point about the pub industry, but Members should reflect that there was an opportunity to toughen the legislation relating to big pub companies. In the last Parliament, we had a debate on the beer orders that were brought in by the Conservatives to give greater flexibility to pubs, and the response of this Government was not to toughen the legislation but to do away with it, thereby making the situation that the hon. Gentleman describes even worse.

Hugh Bayley: That was a back-handed way for the hon. Gentleman to say that he agrees that it is time for the Government to review the legislation. He said that it was time a few years ago, so certainly he would agree that it is time now, given the current economic conditions.

Richard Younger-Ross: Yes.

Hugh Bayley: Let us be positive and work together on this. Given current economic conditions, it is time to look at the regulatory regime surrounding the pub trade. That is important, and if we do not do it, we will continue to lose pubs.

This will be my final point to the Minister, because I know that other hon. Members want to contribute. I understand that she has to fight a battle with the Treasury to gain money for the tourist authorities in the UK, whether national, English, regional or local and

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that there are always competing demands for cash. I put this on the record, because I do mean it when I say that I thank the Government. Because of their stewardship, regional development agencies and the policy framework under which they operate were established. The RDAs consider tourism to be an important part of the local economy and are investing more in it.

Because of the change in exchange rates we will have a window of opportunity over the next year to attract more people to the UK and, hopefully, to establish long-term patterns of more people from other countries visiting the UK, and we will miss that opportunity unless Visit England and, in particular, VisitBritain, with its external marketing responsibility, have the resources to exploit it. I hope that the Minister will take a message from me and the others who contribute to this debate to the Treasury, so that when it considers measures to stimulate the economy in difficult circumstances, it will see tourism as a sector that ought to be stimulated.

9.56 am

Mr. Mark Field (Cities of London and Westminster) (Con): I congratulate the hon. Member for City of York (Hugh Bayley) on securing this important debate. He told us about elements of the machinations by which he was able to acquire such an important 90-minute slot. I hope that he will forgive me if I focus most of my comments on tourism in my own constituency and the nearby area, which I believe the Minister knows extremely well. I believe that she still has a house in the Soho part of my constituency.

I thank the hon. Member for City of York for his interesting comments. It is often easy from the London perspective to think of our city being the capital not just of this country, but almost of the world, and not to appreciate the broad range of tourism opportunities that are available so close to his beloved city of York.

I am fortunate enough to represent a constituency that, as well as including the financial and political heart of our country, houses some of Britain's most iconic buildings, many of its historical and cultural gems, and a selection of the country's best shopping and entertainment hubs, some of which are perhaps slightly too lively for many residents of Soho. The Minister has never pestered me directly, but I am sure that she writes letters to herself, in her role as Minister with responsibility for such matters.

The list of attractions in my constituency is breathtaking: several royal palaces, including the one that we are in at present; three royal parks; several major galleries; Westminster abbey; St Paul's cathedral; and all the joys of the west end, which include Trafalgar square, Chinatown, famed shopping streets and luxury hotels such as the Savoy and the Ritz—a true embarrassment of riches in many ways.

The vibrancy of the central London area, the sheer number of fantastic places to visit and the fact that anyone can feel at home walking through the streets of London ensure that our capital city draws visitors from around the globe. Unsurprisingly, London is the No. 1 destination for international travel, each year welcoming more overseas tourists than any other city in the world. In 2007 alone, 25 million overseas and domestic tourists flocked to the capital, and we have had two consecutive years of record spending by overseas visitors, bringing in a colossal £8.2 billion to the UK economy. The health of the tourism market in London, which is the gateway to the UK as a whole, is crucial to the wider UK tourism industry.

However, because tourism represents 10 per cent. of the capital's gross domestic product, there is growing apprehension that any decline in the tourism sector as a result of the recession could hit London hard. Unfortunately, it is difficult to grasp the full picture on the number of people who visit the capital, as we have only UK-wide figures from the international passenger survey. However, the number of overseas residents visiting the UK in the three months from October to December 2008 was down 12 per cent. compared with the same period in 2007.

I should say that anecdotal evidence from my constituency is, thankfully, rather more mixed than that stark statistic might present. Indeed, at the end of January, I attended the Regent Street Association's annual luncheon, expecting the retailers on that famous London thoroughfare to be rather gloomy about the economic situation. Not so. Shops along the street had been pleasantly surprised by their final-quarter 2008 performance, which was buoyed by a huge uplift in foreign visitor numbers owing to the weakening pound. In December 2008, sterling was, on average, 26 per cent. weaker against the US dollar and 20 per cent. weaker against the euro compared with 12 months previously.

I do not wish to be complacent, but it is right that I put on the record the context of London's tourism trade, particularly the retail offering for high net worth individuals, because I have an appreciation of many other high streets across the capital city. I look to my hon. Friend the Member for Orpington (Mr. Horam), because I am sure that Orpington high street has had difficulties for some years, not just because of inbound tourism, but because of the emergence of the Lakeside and Bluewater out-of-town shopping centres.

Mr. John Horam (Orpington) (Con): I am grateful to my hon. Friend for taking the trouble to mention my constituency. In that context, the outer London scene, which he mentioned, has some iconic buildings. There are some wonderful buildings in central London in his constituency, but in outer London we have, for example, the home of Charles Darwin. It is the 200th anniversary of his birth this year, and the 150th anniversary of the publication of his great book, "On the Origin of Species," so I thank the Minister for the Government's efforts to make his home a world heritage site.

Mr. Field: I know London very well and love it very much, and not for nothing is the main road into Down called Single street. It is a rather small street, so I hope that not too many tourists will take their cars into Down from Orpington, otherwise there will be problems afoot, I suspect.

Amid all that, there is little doubt that 2009 will be a relatively tough year, so I am keen to know what the Minister will say about the contributions that she will hear from Members representing various parts of the UK. For a start, it is likely that corporate entertainment and international business travel will be pared back. There is an especial concern also about the capital's

exposure to the US market, which remains far and away the UK's biggest source of visitors.

Visits from north America in 2008 were down 13 per cent. compared with 2007, and a sharp downturn in the US economy, rising unemployment there and the lowest recorded levels of US consumer confidence are likely, I fear, to ensure that the number of visits continues to fall. There is also concern about the exchange rate. There has been a depreciation during the past year, but the situation may change through 2009, and there could be a large reduction not just in visitor numbers, but in absolute spend.

The Minister will appreciate, and Members from all parts of the House will know, that we live in volatile times, so it is hard to tell whether more domestic visitors will in the coming months spend time in London and the UK, rather than going abroad. Preliminary research indicates that most UK residents regard their main summer holiday—normally abroad—as sacrosanct, in which case domestic visitors may choose to drop their breaks in London or, indeed, other parts of the UK to preserve what they regard as their main holiday.

Visit London—the official visitor organisation for the capital, and part-funded by the Department for Culture, Media and Sport, the Mayor of London, the London Development Agency and London's councils—has been undertaking some quite aggressive marketing campaigns to promote the capital internationally. In December, a four-month drive was launched to stimulate visits to London. At a cost of £3.25 million, the campaign is expected to deliver £70 million in economic benefit to the capital. Money assigned to promoting tourism traditionally provides good value, and tourism is one of the industries in which a relatively modest investment can provide solid economic returns in a short period. As part of the Mayor's recovery plan, alongside that of central Government, Visit London has tried to capitalise on the opportunity of the favourable exchange rate as a valuable promotional tool, and, if there is any new Government funding, it should be concentrated on responsive campaigns. I hope that the Minister will bear that in mind.

In the longer term, Visit London looks towards the London Olympics, which are now only three and a half years away, in the summer of 2012. Surprisingly, when one considers that the Government sold the games to the public as a way to draw money into the capital from international visitors, there seem to be no specific plans to provide funds to help to realise the tourism benefits of the games. It is estimated that such benefits could be worth £2 billion, with the games representing a once-in-a-lifetime opportunity to market and promote London and the UK to emerging markets, such as China and India.

There is also great enthusiasm among those in the tourism sector for a re-examination of immigration arrangements. There have been recent increases in visa fees, and some visitors are aggravated by having to purchase a separate visa for the Schengen area. Visit London also believes that a capital investment in an international convention centre, which has been in the offing for many years, would create jobs and benefit London's economy in the long term, particularly as the organisation believes that, on tourism, one of London's saving graces could be its hosting of many conferences, fixed-term annual congresses and sporting events.

In an economic climate that is undoubtedly worsening rapidly, it is essential that we continue robustly to promote our capital city. London drives the UK's visitor economy to a large extent, and, where it succeeds in attracting visitors, the rest of the country will, I hope, benefit. But, while the picture is mixed in the capital, with some areas of the industry upbeat about their prospects, there is no room for complacency. In this sector, over many others, a little investment can go a long way, and we should play on London's myriad advantages as a fantastic, diverse and exciting city to keep it as the jewel in the crown of a thriving British tourism industry.

10.6 am

Dr. John Pugh (Southport) (LD): I congratulate the hon. Member for City of York (Hugh Bayley) on having prompted this important debate. My remarks will be slightly polemical and may contrast sharply with those of the hon. Member for Cities of London and Westminster (Mr. Field), although I agree with both hon. Members that inbound tourism is essentially a good thing. The balance of payments is helped enormously. It is one of the few real exports that we have left and it is helped by the falling pound. However, I want to make a general point about the marketing of UK plc. Many of the brochures and films that I have seen, especially abroad, have overwhelmingly been London-centric. "Come to the UK" has been synonymous with "Come to London", with Edinburgh thrown in because they have quaint Scottish ways up there, along with Stratford-upon-Avon, because everybody abroad knows about Shakespeare, so it is thought important to include that town, too. Much of the rest of the country, however, misses out on any international promotion.

The pressure, which has been evident today, is to get people to visit London. Most of the resources go to marketing the London offer, and the hon. Member for Cities of London and Westminster laid out very well how successful it has been. The evidence is there: people tend to visit London in very large volumes. London is a fantastic place, however; I am not saying that it is not. It has history galore and architecture—a fantastic number of great buildings, so many that, in some cases, they do not even have names. It also has royalty, entertainment, the west end, culture, museums, galleries and sport. It has famous football teams such as Chelsea, Arsenal and Leyton Orient, although I must note that they have not yet achieved the same level of international success as certain teams in the north-west. London also has a superb transport system and access, so I do not deny that London is a world-class destination, because it is. However, it is not the UK, just as Madrid is not Spain, Paris is not France and New York is not the USA. The UK has other gems, but they are undersold.

I accept that other cities do not compare with London's scale, resource and range of attractions. Manchester, Liverpool and York all have very good points, but, criterion by criterion, they are not in the same league as London. But the UK is not all about cities. For example, it has a fantastic coast, which was brilliantly depicted in a recent BBC series—such a good series that it is doing a second series. I must say, however, that the BBC's metropolitan elite needed some persuading to embark on the first series, because they did not think that it would achieve the success that it has. The UK also has a

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varied countryside. It is not often recognised that the one thing people notice when they come to this country, particularly if they come from the Mediterranean area, is how green and pleasant it is and how varied it is. But that is not given much coverage in the brochures advertising this country. The UK also has cheaper places to stay than London. We have to take on board that not every person thinking of tourism in the UK can afford London prices.

There is an imbalance in the promotion of inbound tourism in this country. Let me tell a little anecdote as an example. My constituency is a fine Victorian resort as I think hon. Members would agree, with better golf courses than London, healthier air and less snow. It is also the recipient of much recent investment and it has an exceptional coastline. In a foreign embassy a while ago, I picked up a VisitBritain pamphlet which was about the north-west, not generally about the UK, but I looked in vain on the map for my resort. The squirrel reserve down the road was there, as was a place called Oswaldtwistle, which has a loom of some note, but Southport was not there, which led me to believe that people in VisitBritain are not as clued up as they might be about the attractions of the wider country.

Mr. Horam: I am surprised that that publication did not mention the Champs-Elysées of England: Lord street, Southport, which the hon. Gentleman and I know well. I know it because my mother lived there for a long time.

Dr. Pugh: The hon. Gentleman might have expected that to be included. However, VisitBritain has since apologised for that culpable omission.

As the hon. Member for City of York has already mentioned, let us consider the painful debate and political turmoil about Heathrow this week in Parliament. The discussion in the Merseyside area is about why cannot we have more flights, why are flights withdrawing and why is John Lennon airport not doing better business. We want the planes that Londoners do not want and we can take them. But we cannot do so if tourists are consistently shepherded or dragooned to London, through London and via London. That is fundamentally not a good thing for British tourism.

When we return time and again to countries we do not always return to the same place. People travelling to Italy go to Rome, but they do not—

Hugh Bayley: Every plane flying from Britain to north America takes off in London and flies over the north of England, probably almost directly over John Lennon airport. If they landed at that airport, half an hour of flying time and 400 miles-worth of fuel and pollution on the round trip would be saved. If a fast 200 mph railway line were built, people could still be in London within an hour. Does not the hon. Gentleman agree that we have to think of a national airport strategy, not just one for London and the south-east?

Dr. Pugh: The hon. Gentleman has made the point far better than I could. I agree with him.

Mr. Andrew Turner (Isle of Wight) (Con): What the hon. Gentleman is saying is interesting. I was trying to massage together the words of my hon. Friend the Member for Cities of London and Westminster (Mr. Field) and those of the right hon. Member for Oxford, East (Mr. Smith), who is no longer in his place. The people who are having difficulty borrowing money—this is true in my constituency as well—are feeling a different influence from that felt in London. I wonder whether that reflects the different feeling out in the sticks, as people might say, from that in London.

Dr. Pugh: We in the provinces suffer, at times, a different economic climate, but although we all have the same concerns about the dangers that may be presented by the economic climate to inbound tourism, there are also potential benefits. There is an opportunity here and something can be made of it if we get the marketing right.

Fundamentally, I am not making an anti-London point. It is a question of the balance of the offer. People who return time and again to Italy do not always return to Rome. Yes, they go to Rome, which is a fantastic city, as is London, but they also go to Florence, Venice, the Umbrian countryside, the Adriatic coast and the bay of Naples. If we could have a more diverse presentation of the UK to the world at large, we would all do better. That would be a win for London, because general tourism would go up and people have to go through London in most cases anyway, and other areas would benefit far more than they do.

I plead with the Minister not simply to look at the benefits of promoting tourism, but to look at the benefits of doing so in a thoroughly balanced, trans-regional way.

10.15 am

Mr. John Greenway (Ryedale) (Con): I congratulate the hon. Member for City of York (Hugh Bayley) on securing this debate. He is right on a number of counts. York is one of the great treasures of the United Kingdom, both in respect of its historic buildings and its tourism industry. In some ways, it is complemented by what is on offer in my constituency of Ryedale. People can seek solitude in York Minster, but they can do so just as easily in Rievaulx.

The hon. Gentleman is right to identify the fall in the value of sterling as an opportunity that Government ought to grasp. He is also right to say that some further investment in and marketing of the UK as a whole would pay huge dividends, not just for the tourism business but for many other businesses and for the Exchequer.

The hon. Gentleman mentioned shopping in York in his constituency, where I live. I was shopping in January during the sales with my wife, who is Dutch, and we could not believe the number of Dutch people buying stuff in the sales. Those people come over on the North sea ferries into Hull, spend a day shopping in York, spend all their money and then go back. I was told yesterday by my wife, who runs a successful inbound tourism operating business, which I will mention in a moment, that at a conference she attended yesterday she found out that the number of North sea ferry crossings from the near continent—Holland and Belgium—had already been cut by half because of the recession. That is a real problem.

I want to mention a couple of other interests that I have. For a number of years I have been a consultant to an organisation that is now called Eventia, which is the trade association for the meetings, events and incentive travel industry and, for some years, I have helped organise a major international politicians' forum on this subject in Frankfurt, which has focused on ensuring that governments, at local, regional and national level, understand the huge potential economic value of the meetings sector. My wife Hanneke runs a successful inbound tour operating business, mostly bringing business, events and meetings into London—and into other parts of Britain, including York and Scotland—from the near continent, including Germany and Holland, and, we hope, increasingly from America.

I have to tell the Minister and say to the interested hon. Members present that the impact of the recession on this sector is becoming all too clear, as is obvious. Many events and meetings are being cancelled because people do not want to be seen having a good time. This is really stupid and short-sighted. The idea is that such events should be cancelled because there is a recession on, but that just makes it worse. There is a phenomenal infrastructure dependent on the inbound tourism industry and it is not just based in London, although it is particularly acute there. The infrastructure is also in York and Southport. For example, many of our universities market themselves as potential and real sites for meetings, and this happens. People hold meetings and events at university campuses during the university summer break. All of this applies, whether we are talking about Lancaster, Durham or London.

I have just been in the USA, hence my slightly darker colour. I am not sure if the Minister is aware that the US Congress is developing a policy that will inhibit companies in receipt of emergency funding from holding meetings and event activities to communicate with and motivate staff, as has been prevalent before. That is ridiculous. The sector's professional associations in America have started a campaign called Keep America Meeting. I suggest that we should keep the world meeting, because tourism is a vibrant element of the real economy.

The hon. Member for City of York mentioned the problem with pubs, and the truth is that the hospitality industry in north Yorkshire is probably the area's biggest employer. Even in my constituency, which is recognised as being one of the main agricultural parts of Britain, more people are employed in hospitality than in agriculture or even food manufacturing. It is vital to understand the impact of that.

Most Americans do not know what has happened to the exchange rate. I do not know how to get the message across in a marketing campaign, but they do not realise that the pound is now down to $1.40 or $1.35, and that there is an exchange rate boost for the dollar.

What do we need from the Government? First, we need renewed recognition of the sector's value, and the opportunity that it creates for jobs, training, education and economic growth. Secondly, we must recognise that the sector is under threat. The Minister's facial expressions show that she responds positively to the points that I have made. The hospitality industry across the board is under real threat from the recession, as is everyone else, but we must understand that it is no good having a beggar-my-neighbour approach and making an already difficult situation worse, because it is one of the sectors that can help to bring us out of recession. I have no doubt about that. We need more cohesion in policy-setting across Departments. Transport has been mentioned, and I would add the role of local government, and a greater understanding that the sector needs to work in partnership with local and regional government to deliver better facilities.

I take this opportunity to make a particular point about the necessity for a greater understanding of the impact of taxation. I do not expect the Minister to reply to this now, but she will be aware that many four operators make VAT payments under the tour operators' margin scheme. However, thanks to the usual ham-fisted intervention of the European Commission, TOMS will change. The Treasury has sensibly postponed the change to January 2010, but when it comes in it will have a huge impact on the sector because, understandably, when businesses use hotels, transport and conference venues for meetings and events, they expect to get their VAT back, but they will do so only if they do not use agents or the organising sector. That needs attention.

I entirely support what my hon. Friend the Member for Cities of London and Westminster (Mr. Field) said about London's need for a convention centre. I have made many speeches about that.

I turn my attention to what we need from the sector, and what it should do. It must recognise that even in these difficult times, the importance of investment remains critical. The hon. Member for Southport (Dr. Pugh) talked about the wonderful places that people may go to in Italy and France when they have been to Rome or Paris, but when they go to such places, they find extremely high standards. The American market will not tolerate low standards. Americans want five-star hotels and the sort of luxury that hotels in Las Vegas and Florida provide. We must ensure that money is available to the sector for such investment, but it must continue to invest in training and facilities. The Minister may speak about the importance of training people to proper standards. I am a member of the Sector Skills Council for Active Leisure and Learning, which is aware of the opportunities for training and upskilling of workers. That is critical, and we must encourage young people to consider the sector as a real career opportunity. Far too many of them think it is the last possible career, but that attitude does not prevail in other parts of the world.

I again congratulate the hon. Member for City of York on securing this debate. We must be positive and constructive, but the sector is under severe threat as a result of the attitude that people involved in hospitality and events are having a good time when others are being made redundant. That attitude only increases the number of people losing their jobs. We must reverse that, and I look forward with interest to hearing what the Minister says. This is the first time that I have had the opportunity of debating the matter with her. I also look forward to hearing what my hon. Friend the Member for Bournemouth, East (Mr. Ellwood) has to say, because he has the job of shadow tourism Minister, which I enjoyed for several years. It is one of the best Opposition jobs, and I hope that he will have the opportunity of doing it in Government.

10.26 am

Richard Younger-Ross (Teignbridge) (LD): I congratulate the hon. Member for City of York (Hugh Bayley) on securing this debate. He made some excellent points, and I agree with what he said about the pub industry and the airport strategy, which should be broader. He promoted City of York, as one would expect. Hon. Members also promoted Oxford, the City of London, outer London and the grandeur of Southport, which I know well. My mother was born there, and I spent many summers there as a child visiting relatives, but although it is said that there is sea there, I never saw it.

It would be improper not to mention my hon. Friend the Member for Bath (Mr. Foster), for whom I am standing in, because he would probably never forgive me if I did not give Bath a plug. It is, of course, a world heritage site, and a splendid city. Having mentioned that, it would be my own ruin if I did not mention glorious Devon, where I come from. Teignmouth, the small town that I live in, is a small part of my constituency and is famed for Keats and the computer designer, Babbage, and for being the home of Hornblower and Admiral Pellew. Very few hon. Members here will know that, and that is part of our problem in promoting tourism in the UK. We have opportunities, but we do not exploit them. I shall come to the reasons for needing extra investment.

The tourism industry has a turnover of £86 billion. It is the sixth largest industry in Britain, and approximately four times the size of farming. It employs 1.4 million people throughout the country, which equates to 4.3 per cent. of the work force. The overall industry, with the jobs that rely on it, represented a massive 8.2 per cent. of GDP in 2007. However, despite the tourism sector's invaluable contribution, both present and past, the Government's commitment to investment and support has been disappointing and has lacked consistency. The portfolio for tourism has been moved from one Department to another, and there have been eight Tourism Ministers in the past 10 years. I hope that the present Minister will remain in post for a long time.

In 2007, spending by domestic residents amounted to £67.6 billion, whereas spending by international visitors was £18.7 billion. Domestic tourism is responsible for nearly four-fifths of our national visitor economy, and we must not forget that when we promote our tourism industry. Many sectors of society benefit from tourism, apart from people who work directly in the industry, ranging from hoteliers to tour guides, and the benefits extend to our cultural and heritage sites inside and outside the capital city. We have superb cultural assets, some of the world's best museums and galleries, and world famous heritage sites with spectacular and diverse landscapes, all of which create a sense of fulfilment and educational enrichment for visitors.

In a global economy dominated by multinational business, tourism is one of the few industries that can easily accommodate start-up businesses, allowing people to step on that first vital rung on the ladder to entrepreneurial success. However, British tourism can thrive only if the Government are prepared to invest more money in the industry, and VisitBritain, the body responsible for marketing Britain abroad as a tourist destination, has seen its funding drastically cut by more than £15 million for the period 2003 to 2010—I understand that that is at 2007-08 prices. That body needs greater investment, not less.

Britain's share of the global market has declined from 7 per cent. of international tourist arrivals in 1990 to less than 4 per cent. in the past few years, and from 4.5 per cent. of international tourist receipts in 1990 to less than 3.5 per cent. last year. In the past 10 years, the UK's tourism growth has continually underperformed against the global average, with the UK's tourism deficit spiralling from £5 billion to £20 billion per annum and the UK's share of global tourism falling by almost 20 per cent. and revenue falling by more than 25 per cent.

A world tourism and travel study has forecast that in the next 10 years, the UK tourism industry will be one of the worst performing in the world. The study predicts that out of 174 countries, the UK will experience the 10th worst level of tourism revenue growth. However, Britain is in a position whereby it can attract many more visitors if it adopts sound marketing strategies publicising our many attractions—whether in York, Oxford, Southport, Devon or the City of London—and emphasising that British tourism offers good value. One outcome of the credit crunch is the weakness of the pound, which makes Britain affordable to overseas visitors. That presents us with an opportunity to demonstrate to the world's travellers that Britain is no longer an expensive destination and to reverse the trend that has seen Britain experience a 27 per cent. decrease in the number of north American visitors from 2007 to 2008.

VisitBritain can help to achieve that, but it needs sufficient funds to be able to exploit the opportunity. It is the main voice for promoting British tourism, and I urge the Government to reverse the funding cut to VisitBritain so that it can grasp the opportunity and in turn mitigate some of the worst effects of the recession.

The Olympic games will present London with a unique opportunity to market the city around the world as a tourist destination. So far, the games are estimated to be costing £9.3 billion. What are the Government doing to ensure that the full potential from hosting the games is realised with respect to promoting the tourism industry?

Christopher Rodrigues, the chair of VisitBritain, has already spoken of his concern regarding the lack of funding for the tourism legacy:

"We were guided by Government not to focus on the case for additional funding, but rather on identifying ways to improve the efficiency and effectiveness of the industry...We have respected that guidance, though we must point out that the plans for achieving the tourism legacy benefits of the London 2012 Olympic and Paralympic Games remains largely unfunded."

The Department for Culture, Media and Sport 2012 tourism strategy, "Winning: a Tourism Strategy for 2012 and Beyond", published in 2007, is as yet unfunded. It must be fully implemented and adequately funded as a priority. The strategy claimed that the Olympics could generate an estimated £2.1 billion in additional tourism benefits for the UK over the period from 2007 to 2017 and stated:

"We must use the 2012 Games as an opportunity to upgrade facilities and give tourists a first-class experience."

The strategy seemed to suggest that the Government would put extra money towards marketing Britain as a tourist destination in the run-up to the games. That now appears extremely unlikely. Even when the former Secretary

of State for Culture, Media and Sport—the current Secretary of State for Work and Pensions—announced the 18 per cent. reduction in funding for VisitBritain as part of the 2007 comprehensive spending review, he held the door open on the Olympics with this announcement:

"I recognise VisitBritain's key role in delivering the 2012 tourism legacy and will review available resources for VisitBritain to work with the private sector as we get closer to the 2012 Games."

That door seemed to be firmly slammed shut by this Minister when she told the House:

"I have no plans to provide additional funding for tourism in respect of the London 2012 Olympic and Paralympic Games in this comprehensive spending round." —[*Official Report*, 26 January 2009; Vol. 487, c. 66W.]

That was reported in the Tourism Alliance January newsletter.

There is also cause for concern about the lack of preparation regarding applications for tickets, which I understand will go on the market in spring 2011. Little thought appears to have been given to how we promote Britain for when the tickets are on sale. There is little point in our having a big promotion in 2011. The promotion has to take place in 2010, so that when people are buying tickets, they buy the whole package and they do not just think that they will come to London, do the easy options and then go back again, or go to Weymouth and then go back again. If they are in Weymouth, how about going to Dorset? If they are in another part of the country, how about going to York, Oxford or some of the other places?

Dr. Pugh: One obstacle that people face and one reason why they might not think about doing that is that when they investigate the difficulties of getting across the country as opposed to down to London by train, they find them insurmountable.

Richard Younger-Ross: My hon. Friend makes his point and it is on the record. There are other issues, though. We need announcements on infrastructure and promotion. Stonehenge is essential. There must be progress in that respect. If we want more people to go to Stonehenge, we have to give them a first-class facility when they get there, but we are not doing that at the moment. If we keep delaying, it just will not happen.

It is time that the Government recognised the importance to Britain of tourism—in deeds, not just words—and appreciated how much Britain relies on tourism to support the economy. It beggars belief that at a time when the Government are spending billions of pounds of taxpayers' money on boosting public expenditure to take the country out of recession, they turn their back on tourism—one of the industries with the greatest opportunity for growth. We might also consider, for example, promotion of lighter evenings. There are a number of things that the Government can do; they are not all cash-orientated. I urge the Minister, however, to revisit the decision to cut funding to VisitBritain—a vital organ in ensuring the success of our tourism industry.

10.37 am

Mr. Tobias Ellwood (Bournemouth, East) (Con): I begin, like other hon. Members, by congratulating the hon. Member for City of York (Hugh Bayley) on securing this important debate. I am pleased that we are having it. We do not debate the issues of tourism enough in the House, considering the importance of the impact that Parliament has on our tourism industry. I requested from the Leader of the House an annual debate on tourism in the main Chamber, but I was denied. The Conservative party has now agreed to that proposal—should we win the general election—so I hope that we can regularly bring together Members of the House who have an interest in tourism.

I am slightly concerned that a number of Labour Members have suddenly brought up the issue of tourism in the last month or so. Perhaps I am being cynical, but I hope that that is not a Labour spin plot, possibly with the paws of Lord Mandelson on it, to take advantage somehow of what is likely to be an increase in domestic tourism simply because of the economic downturn. We are where we are today not because of Government, but in spite of Government. As we have just heard, this Government have made ruthless cuts to the tourism budget and carved up responsibility for tourism to the nine regions across the country. Our success as the sixth most popular country in the world for tourists has been achieved in spite of the legislation created here, not because of it, and that must change.

Stephen Pound (Ealing, North) (Lab): On a point of order, Mr. O'Hara. Is it entirely appropriate for an hon. Member, even one speaking from the Opposition Front Bench, to refer to a Minister of the Crown as having paws? There is an inevitable suggestion in that comment that the Minister is animal, not human.

Mr. Edward O'Hara (in the Chair): I do not think that I take that seriously as a point of order.

Stephen Pound: Paws for thought.

Mr. Edward O'Hara (in the Chair): Yes, paws for thought.

Mr. Ellwood: The sense of humour of the hon. Member for Ealing, North (Stephen Pound) certainly brings an air of jollity to the situation, but unfortunately there is a serious aspect to what is being said and there is concern.

We have a confusing, overlapping and conflicting tourism structure. We have had 10 years of jobs for the boys because there has been no leadership in Parliament. The regional development agencies and other bodies that are, from the Government's perspective, responsible for tourism have been able to introduce their own initiatives, which are not necessarily in tune, do not necessarily follow the same agenda and certainly do not spend money wisely. Under a Conservative Government, however, that will be no more—things will certainly change.

Hugh Bayley: Will the hon. Gentleman give way?

Mr. Ellwood: I will not give way at this stage, because I have other things to titillate the hon. Gentleman with, and I am sure that he will wish to react to them.

When I visit areas such as Yorkshire, the south-west, the north-west and the north-east, I find that there are nine different ways of promoting tourism in Britain; some are good and some are very bad, but nobody is

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joining everything together. VisitBritain has come out with a very critical report on what is happening. Finally, VisitEngland is being created, so we have one voice that can bring all these ideas together. We can ensure that there is better understanding of how to market Great Britain not only to the wider world, but to the domestic audience.

Unfortunately, we have come full circle in the 10 years since 1997—we have reinvented the wheel. If hon. Members are not aware of that, they should read VisitBritain's report, which was issued about a month ago.

Hugh Bayley: Will the hon. Gentleman give way?

Mr. Ellwood: Not at the moment, because time is against me, and it is the Minister who needs to respond on these issues, not the hon. Gentleman. However, I will give way in a little while, because this is his debate.

Let me cite a couple of examples. In Boston, Massachusetts, we had six different offices representing RDAs promoting different corners of the UK, which is just madness. We have an overlapping, inconsistent approach to getting people to come to the UK and decide where they want to go. I am glad to hear that that has now stopped and that some of those offices have been closed.

Closer to home, another example came to my attention last week. Stonehenge is our premier outdoor attraction, but anyone who has visited it recently will be aware of the mess and misery at the visitors' centre.

What are we doing to harness to the opportunity of the Olympics, which my hon. Friend the Member for Cities of London and Westminster (Mr. Field) so eloquently described? We are building a temporary site just for the duration of the Olympics at a cost of £20 million. That is after a £15 million feasibility study—a paper exercise—to work out what to do. So, £20 million is being spent on something that will simply be torn down after the Olympics. That is not a good strategy or a good approach to co-ordinating jobs. Where is the leadership from the Government to ensure that the agencies responsible for putting things together create something permanent so that we can celebrate our premier outdoor attraction?

I will not reiterate hon. Members' praise for the tourism industry, although I agree with them. However, those in the industry look to us not just to praise them, but for support. They know that they are doing well, but they know, too, that they could do better if they had better support from us. It is we who have to provide that support.

It has been reiterated that the industry is worth £90 billion a year. It is also responsible for one in four new jobs created in the UK. In global terms, 30 million visitors come to the UK every year.

My hon. Friend the Member for Cities of London and Westminster makes the important point that London is an important attraction, but only one tenth of visitors to France and Germany go to Paris and Berlin, whereas half of our visitors come to London. We have to ask how we can not only continue to encourage people to come to London, but spread the wealth and tourism opportunities so that people visit other places across the country. We can put only so many people in Oxford street before it is no longer a pleasant place to be, and we need to address that.

As we have heard, tourism in Britain is unique, and we cannot replace it. Oxford is Oxford, and Bournemouth is Bournemouth, and we cannot replicate them in the far east, because they are special to the UK. That is why we can be proud of what we offer.

Hugh Bayley: Will the hon. Gentleman give way?

Mr. Ellwood: Of course I will; I do not wish to be discourteous.

Hugh Bayley: I am most grateful to the hon. Gentleman for giving way. If I understand him correctly, his criticism of the Government's tourism policy is that it is fragmented and has too much duplication. As a Yorkshire MP interested in the promotion of Yorkshire, I think that it is a good thing that Yorkshire Forward has increased funding for the Yorkshire tourism sector from £4 million to £10 million. Is he suggesting that his approach would be to reduce funding for regional tourism promotion and to put it all into a central pot?

Mr. Ellwood: No, that is not what I am suggesting. The hon. Gentleman is trying to take me down a particular avenue, which would not be helpful at this stage. I am here not to divvy up the funds, but to say that we should have a co-ordinated strategy so that best practice in Yorkshire is shared with the south-west. Money in the south-west is spent at the headquarters, but it does not get to the tourist destinations, which is a scandal—it needs to change. Furthermore, Yorkshire might do some promotion, which might be mentioned in embassies around the world, but an hon. Member who was looking for their particular patch might not be able to see it because another part of Britain was being promoted. We need the co-ordination to deal with that, because it is not happening at the moment.

If the hon. Gentleman wants examples of where the Government are failing, let me give him some. I have mentioned funding. Devolution has caused complete chaos in our promotion of the UK. Transport has also been mentioned. I do not know how much influence the Minister has with the Department for Transport, but we must ensure that we have a co-ordinated system that allows us to link places of interest so that we can move tourists from one place to another.

The price of visas doubled overnight as a result of a Home Office directive. Again, how much consultation was there with the Department for Culture, Media and Sport? Very little. According to the Tourism Alliance, the consequence is that we are losing £160 million a year because the UK is too expensive and tourists have chosen to go elsewhere. VisitBritain has requested that the Government to look into something called the Schengen plus visa. At the moment, people can pick up a Schengen visa for €60 and visit 15 countries, but if they want to visit Britain they have to pay another £60, so they immediately dismiss the UK in favour of the rest of Europe. Will the Minister please look at the issue and tell us how we might be included in the scheme, particularly if that would attract the far east markets?

Another example is the measures that the Department for Communities and Local Government introduced on fire regulations. Those measures have hit hotels and bed

and breakfasts, which now have responsibility for sorting out their fire regulations. Many decided that it was too much red tape and that they were going to close.

My hon. Friend the Member for Isle of Wight (Mr. Turner) mentioned local authorities, which have a huge responsibility for understanding what is happening in their areas. However, they are shutting their tourism offices and sacking their directors of tourism. Why? Because they can save £1 million by doing that and put the money into things such as wheelie bin collections, which allow them to meet targets and get financial rewards from the Government. Again, that is not a joined-up strategy. I see that the Minister agrees.

The Isle of Wight is one of the places where the local authority has decided to close its tourism offices and put services out to the private sector. It cannot be that a council washes its hands completely of anything to do with the tourism industry. A Conservative Government will link rates so that a proportion of them are kept locally. That will encourage local authorities to invest and take an interest in aspects of tourism. We will encourage all local authorities to adopt a tourism strategy so that they think about the issues involved, look ahead and talk to their neighbours.

I am embarrassed to say that Bournemouth borough council does not talk as much as it should to Poole, but anybody who visits the area is likely to go down to Sandbanks or to walk across to Christchurch to see the church there. There needs to be more co-ordination, which is where the leadership must come in, because the absence of leadership has meant that people are very much doing their own thing.

There is not time to go into the Olympics, other than to say that I posed a parliamentary question to the Minister to ask what money is being put in to take advantage of and harness the fantastic opportunity of the 2012 Olympics, when millions of people will be watching television pictures of Britain. Not one single penny is being put in. The Minister said:

> "I have no plans to provide additional funding for tourism in respect of the London 2012 Olympic and Paralympic Games"—[*Official Report*, 26 January 2009; Vol. 487, c. 60W.]

Janet Anderson (Rossendale and Darwen) (Lab): Will the hon. Gentleman give way?

Mr. Ellwood: I will not. The hon. Lady has just walked into the room.

Furthermore, we have not even touched on the fact that we have to deal with small businesses in the current economic climate. The VAT cut was simply a scandal; it has caused confusion for tourism operators, rather than helping them.

We touched earlier on the question of pubs. Duty was increased to compensate for the drop in VAT. VAT will go back up, but will duty on alcohol go down again? Absolutely not! That is one reason why pubs are being hit and are closing at the rate of 36 a week. I would like to see a reduction in corporation tax and a small-companies rate. I would also like to see a loan guarantee system that works, a six-month VAT holiday for small and medium-sized businesses, and a cut in national insurance. Such things would help the small businesses that make up our tourism industry.

There is much to be done, but it is not being done. We can certainly be proud of our tourism industry, but we should be less proud of what the Government have been doing to support it.

10.50 am

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Barbara Follett): It is a pleasure to respond to the debate, which was initiated by my hon. Friend the Member for City of York (Hugh Bayley). I am glad to join him in highlighting the value that tourism brings to the national, regional and local economies. I am glad also to have had the opportunity of hearing from Members in all parts of the House about tourism in their areas. I particularly welcomed the contribution of the hon. Member for Ryedale (Mr. Greenway). Having been in my position, he knows some of the constraints, but he was right to say that it is one of the best jobs in government.

I believe that tourism is one of the best industries in Britain. It is our fifth largest industry, and many Members mentioned its contribution to GDP, the number of jobs that it supports and its general importance to our regional and national economies. As the Minister for the East of England, I understand how crucial it is that we co-ordinate the regional development agencies, and that we copy the best and get rid of the worst, which, as the hon. Member for Bournemouth, East (Mr. Ellwood) mentioned, we definitely have in some of our practices.

During the decade in which we have been in power, we have doubled central Government's contribution to tourism. In 1997-98, under VisitBritain's predecessor bodies, the Government's contribution was £44.7 million; in 2007-08, it was £94.1 million, of which £50.6 million went to VisitBritain and £43.5 million to the RDAs. Why to the RDAs? As the hon. Members for Southport (Dr. Pugh), for Orpington (Mr. Horam), for Ryedale and others have said, we need to ensure that the RDAs and the regions themselves get their share of the tourist pot. The money that tourism brings into the country is vital. As many Members have said, it is one of the main ways in which we can work ourselves out of the recession. Like the hon. Member for Ryedale, I regret the slightly miserable attitude that we have at the moment.

Mr. Greenway: Hair shirt.

Barbara Follett: As the hon. Gentleman says, it is a hair shirt attitude. We need to spend money to get ourselves out of the recession.

Overall, the public sector's contribution to tourism is about £350 million a year, which is devolved to London and the various authorities in the regions. I am proud of the contribution that the Government make to tourism. I acknowledge that when times are good, tourism is easy to ignore. The industry gets on with the job, which it does extraordinarily well, and we are glad to reap the benefit. However, times are now immensely challenging for the industry and the country.

When I became a Minister in October last year, tourism was one of my top priorities. I have met the various trade organisations, which I am glad to say are represented here today; I have met the regional development agencies; and I am shortly to meet the RDAs' heads of tourism. I wish to achieve more co-ordination, and to

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get areas such as mine to follow the examples set by Yorkshire Forward and the north-west, which have particularly good tourism elements.

The latest data paint a bleak picture compared with that of 12 months ago. However, despite the weakness of the pound—and despite what the hon. Member for Bournemouth, East said, the reduction in VAT has brought something of a retail revival to London and to Northern Ireland, where people are crossing the border in order to benefit from it—the number of visitors from the United States, the eurozone countries and the rest of the world is declining. That is why, on 8 January, at the beginning of what I knew would be a difficult year, the Prime Minister, the Secretary of State for Culture, Media and Sport and I held a tourism summit in Liverpool.

Why Liverpool? It was because Liverpool shows what can be done with good regeneration and with focused work on tourism. That focus was brought about by its being the European city of culture. Many of us did not easily put Liverpool and the title "European city of culture" together, but it has been a rip-roaring success, with the city attracting an extra 3.5 new visitors last year. It has vastly increased its tourism take, and more people are staying in its hotel beds. A record 1 million hotel beds were sold last year, and the average occupancy rate over the year reached an all-time high of 77 per cent.

Dr. Pugh: Will the Minister give way?

Barbara Follett: I shall not give way as I have only four minutes left to answer the debate; I am truly regretful.

That example shows the vital role of culture. For instance, as the hon. Member for Orpington said, Darwin's landscape laboratory is in his constituency. It also shows the role of regeneration. I am glad that Southport is one of the beneficiaries of the sea-change money provided by my Department: we put in a total of £45 million, of which Southport had £4 million.

My right hon. Friend the Secretary of State wants to see whether we can extend the city of culture experience to other cities in Britain. We have commissioned a feasibility study on having a four-year UK city of culture. There will be money attached to it, and I hope that my hon. Friends will consider it when the time comes. We have also laid out plans for a UK decade of sport, which we will be promoting with VisitBritain. We are fortunate that a great many sporting events will be occurring in Britain over the next 10 years.

The hon. Member for Teignbridge (Richard Younger-Ross) quoted me correctly, and with the Financial Secretary to the Treasury, my right hon. Friend the Member for East Ham (Mr. Timms), sitting next to me, I reiterate that statement: not in this spending round. However, I tell my right hon. Friend that that does not mean that I have given up. He should listen carefully to the last part of that statement. My right hon. Friend—it is fortuitous that he is here at the moment—is being lobbied.

Hull, in Yorkshire, is hosting the clipper round the world yacht race this September, and this is an Ashes summer, so Headingley will also play its part. That is part of what we are doing to showcase Britain as a good destination.

The DCMS framework review was initiated by the Department, not VisitBritain. It was part of the attempt to get rid of some of the diversification mentioned by the hon. Member for Bournemouth, East. We believed that such duplication was unnecessary, so we redirected money into other areas and to the regions. I am glad that the review proposed things that I am already doing, such as re-establishing the inter-ministerial group on tourism and setting up a tourism advisory council. I want to stay in touch with other Ministers, because tourism is delivered by about eight Ministries. We have to consider the product and the skills as well as marketing; without them, we could market for all we were worth but we would not get people to repeat their visits to Britain.

HMRC Office (Chorley)

11 am

Mr. Lindsay Hoyle (Chorley) (Lab): I thank you, personally, Mr. O'Hara—the great man that you are—for allowing this debate. You recognise an important subject when you see one, and there is none more important than Chorley tax office and its potential closure. Of course, I also thank the Minister for giving up his precious time; I do not want him to be known as the Minister of death and doom, but as the Minister of good news, and hopefully at the end of the debate we will hear some. I think that he will be embarrassed by what has happened in Chorley and other offices in the area.

I am disappointed that we even have to hold this debate about Her Majesty's Revenue and Customs office in Chorley and the mistakes that have been made—common sense says that its closure is not necessary and should be overturned immediately. The Minister may say, "Well, you would say that." I would reply, "Common sense, prudence, and all the things that this Government claim to stand for, are the reasons why it should not close". Prudence should be there for all of us. I hope, therefore, that the Treasury has readopted that prudence, common sense and justice. That is what we want for Chorley, and if he is up for that, Chorley will remain open. That is the question. I am sure that he will do his duty and do the best by the people of Chorley. We do not want a Government who are not working for the people of Chorley.

Mr. Greg Pope (Hyndburn) (Lab): My hon. Friend is making a strong case for the well-run tax office in Chorley, just as there was a case for the well-run tax office in Accrington. Originally, Chorley was scheduled to remain open, as was Accrington tax office. Has he heard any reasonable explanation, either from HMRC, the Minister or his predecessor, why Chorley or Accrington tax office should close?

Mr. Hoyle: There is absolutely no good reason for closure, but there is good reason for them to remain open—it would save money.

My hon. Friend has touched on the nub of the matter. Our offices cost less than those in St. Helens and Blackburn. I could name another one—Bolton—but let us stick with the first two. What is between Chorley and Accrington? Some would say Blackburn, but of course St. Helens is there, too. St. Helens and Blackburn were down for closure, because they are inefficient offices and cost too much to operate. The statistics, figures and answers that we received to questions tell us that they cost more to keep open. In fact, St. Helens is an embarrassment to the Treasury—so much so that health and safety officers have concerns about using it. It is not fit for purpose. It was quite rightly down for closure, and yet somehow it has been reopened.

What is the magical factor in all this? The Blackburn office, in the constituency of my right hon. Friend the Member for Blackburn (Mr. Straw), is located on an industrial estate; it is a poor office in the wrong place, which is why it was down for closure. Accrington and Chorley were to remain open, because they are good offices with quality staff, offering quality services—Chorley is an award-winning office. It is a purpose-built tax office built in 1990, not some rundown relic. Why do the Government want to close a second-to-none, purpose-built, award-winning tax office with the best staff and best quality advice? I shall tell the Chamber what the problem is—political corruption. We must be honest. This must be down to political corruption. I cannot think of anything else. It is very strange. What do St. Helens and Blackburn have in common? They have Cabinet Ministers as Members of Parliament. There can be no other reason, and in the end, therefore, the poor Back-Benchers pay the price. What is going on is a disgrace, and the Government should apologise to my hon. Friend and myself.

Mr. Mark Hendrick (Preston) (Lab/Co-op): Does my hon. Friend agree that the Government, particularly through HMRC and the Department for Work and Pensions, seem to be doing their best to make HMRC and DWP staff feel extremely uncomfortable. Is he aware that the staff in Preston have been given notice to clear out of their buildings, obviously to make way for the Tithebarn project, and have been given no indication of where they will be accommodated? Not only are their offices closing with no plans to reopen them and relocate the staff, but staff who will probably keep their jobs do not know where they will be in three years' time.

Mr. Hoyle: I do not disagree with my hon. Friend. Preston is a great modern city, and the tax office employs many people. As he says, we know that Preston is being redeveloped, that the tax office will close and that staff do not know where they will be transferred to or where the office will be. Preston is only up the road from Chorley and across from the office of my hon. Friend the Member for Hyndburn (Mr. Pope) in Accrington. Why do the Government not use some common sense and plan for the people of Preston, so that they can keep Accrington and Chorley open. It would not be far to travel from Preston. It would put an end to the uncertainty hanging over the people of Preston.

We can do things by working together, but we need common sense. The Government should take it on the chin, recognise that they have made a mistake and put right this wrong. I know that my right hon. Friend the Minister is big enough and strong enough and has the ability to say, "We have got this wrong. We will look into it, and put it right."

Mr. Edward Timpson (Crewe and Nantwich) (Con): The hon. Gentleman, who has been waiting some time for this debate, is making an extremely strong case on behalf of Chorley tax office and others in the north-west, including Crewe, where the tax office has also been earmarked for closure. Does he agree that with the current deep recession it is the worst possible time to put such experienced people on the job scrapheap? The average work experience of staff in Crewe is 23.7 years. Furthermore, £21.5 billion of debt remains uncollected, and the debt management and banking business in Crewe is one of the most efficient at collecting such debt. Now would be the worst time possible to do away with that superb service.

Mr. Hoyle: Quite rightly, the hon. Gentleman makes a strong case for why Crewe tax office should remain open. I know that he will continue to press that case. That is on the record, and I am sure that the Minister has taken it on board.

Mr. Anthony Wright (Great Yarmouth) (Lab): I congratulate my hon. Friend on securing this debate. I cannot really link my constituency with Chorley except that—

Mr. Hoyle: We go there on our holidays.

Mr. Wright: Absolutely, and the closure might effect the ability of some to do so. Does my hon. Friend consider that during the consultation process the officials did not take into account the difficulties that people would face in having to move offices? The vast majority of the people affected are fairly low paid and have life balances to consider. Furthermore, we will lose staff with an average of 25 years' experience. I do not think that officials took into account the life balances and difficulties that will be faced by many families.

Mr. Hoyle: My hon. Friend makes a very strong case about life balances. The Treasury claims to take those into account and to be a good employer. We have many fine words, but not much substance behind them. The Government and my right hon. Friend the Minister can provide that substance and take into account the points raised today. It is not his fault—the closures were decided before he took up his position—which is why I plead with him: he can be the man to save face for the Government by putting right this wrong. The mistake was made before he took up his position; I do not blame him, but I do charge him with sorting out the mess. What I am talking about is 77 loyal staff, 54 of whom work full time and 23 part time.

On 29 February, it was announced that Lingmell house would close following the HMRC north-west urban centre review. The local compliance corporation tax operation team undertook the process of identifying 15 centralised sites for its operations. It seems funny that the office was always told that it would remain open, which gave everyone else an advantage. If an office is not earmarked for closure, it cannot lobby. What will it lobby for? That is the problem. We were down to stay open. Those who were down for closure suddenly lobbied and used their political influence. Such was the strength of their lobbying that the offices that were not down for closure are now closed; it is an embarrassment. I know the Minister must be embarrassed by that. Those award-winning offices that were recognised for providing the best service were never meant to close. Suddenly, they are closing. Staff from other offices have channelled their efforts into taking all the best jobs and transfers that are available, and we are left in limbo. Do we really think that that is acceptable? Of course, we do not, and, quite rightly, there is embarrassment.

After that event, in November 2008, five of the 15 sites have been identified. Yet the remaining sites are still being determined. I wrote to the Financial Secretary to the Treasury to outline why Lingmell house would be an ideal location for one of those sites. Even then, I said that other work could be brought in to save the site, which is an area that I should like the Government to explore in more detail. Of course, we get the usual, "Sorry, we are not interested." My arguments highlight not only why Lingmell house should not have been earmarked for closure in the first place but just what an asset the building could be for a centralised site for the future.

Let us look at the office's location. The office is within five minutes of junction 8 of the M61 motorway, which provides access to the M65 and M6. It is a five-minute walk from the train station and an even shorter distance from the bus terminal. It is well placed to serve offices within Manchester and other cities such Preston and Blackburn and it is also within an hour's drive of Leeds. Therefore, it is absolutely central to the north region let alone the north-west. Logistically, one could not find anywhere better. A person can drive into and out of Chorley, or they can get on a train. Yet we want to put more people into Manchester at a time when the Government are saying that they want a congestion charge because the city is so crowded. Why do we want to put more offices in there? Come on, let us go outside the cities and look for regional offices. It is that easy connection between the train and the bus to Chorley that would stop the number of cars coming in from the constituency of my hon. Friend the Member for Preston (Mr. Hendrick). This issue affects not just the constituents in Chorley but those of my hon. Friend the Member for South Ribble (Mr. Borrow). We have seats all around Chorley that benefit because people all live locally, and that is the advantage of this proposal.

Geraldine Smith (Morecambe and Lunesdale) (Lab): I congratulate my hon. Friend on the tremendous work that he has done in this field. A possible solution that has been suggested to me by staff working in the Lancaster tax office is to find new work, such as dealing with tax credits, because there are problems even with Preston. All the Lancashire MPs should meet the Minister to consider whether work can be spread around the region, which could save jobs, rather than forcing people to travel into Preston.

Mr. Hoyle: I totally agree with that.

Mr. Pope: My hon. Friend is being characteristically generous to the Government by suggesting that alternative employment is being offered in Manchester. Some of the alternative employment is in Bootle, which is almost impossible to get to from his constituency in Chorley, and from mine in Accrington.

Mr. Hoyle: I agree with both those points, and I will touch on them later. There is other work to go around, and we have also asked whether tax credit work can be put into Chorley.

There is also the standard of accommodation. Our purpose-built office could not be better. It was constructed in the 1990s purely for the tax office. It is one of the newest HMRC offices in the north-west. In fact, a penalty must be paid by HMRC should it vacate the office before the end of its fixed-term contract. I will return to this matter a little later because it is important to get the message across.

Preston and Blackburn are the closest offices to Chorley that will remain open. Offices in Burnley, Accrington, Southport, St. Anne's, Blackpool, Lancaster and Barrow will close. Those offices were staffed primarily by clerical grade staff. The creation of a corporation tax base in Chorley could accommodate the large number of surplus staff within the north-west. I hope that the Minister is taking this on, because, logistically, the office is central for everyone.

Staff at the office feel that they were deprived of a fair and formal consultation period. Therefore, giving consideration to such a proposal would begin to redress their grievance. I must emphasise the deep frustration of staff at the site who feel that redeployment to other sites around the region is simply not practical. Indeed in response to my parliamentary question on 17 March, the Minister stated that staff at Chorley may be transferred to offices in Bootle, Manchester and Salford. How can any of us get to Bootle? None of those centres is as conveniently located as Chorley. If someone lives in Chorley, it is extremely difficult—if not impossible—to travel to Bootle unless they have a car. Moreover, HMRC is rightly proud of offering flexible working hours and part-time employment. I find it extremely hard to understand how such flexibility can be achieved if someone lives in Chorley and has to work in Bootle. In fact, it cannot be achieved. That is why we want to see substance and not just fine words. It takes 45 minutes to travel to Bootle in a car. To get there on a train from Preston, Chorley or any of our areas is virtually impossible.

I met staff at HMRC in Chorley and they were rightly concerned about the closure and their own future. In particular, they were worried about the lack information available. At this difficult time, people find it impossible to make plans if they do not know whether they will be transferred, or whether their office will stay open. Come on, let us rethink the plans.

The Public and Commercial Services Union has also expressed its concern about the closure programme, saying the ability of the Department to collect revenues and provide tax advice to the public and local businesses would be completely undermined. The Minister may say that we can have a little part-time office, but that is not acceptable.

Access to tax advice to communities across the UK will be damaged by the proposals, hitting businesses and the public in rural towns. Chorley is home to the Tenon Group, which is one of the biggest accountancy firms in the country and is listed on the stock market. We have hundreds upon hundreds of accountants and businesses that operate out of Chorley. Chorley is the 34th richest constituency in the country in terms of disposable income and is home to the 54th richest constituent in the country, and his business is based in Chorley. Therefore, closing the office would be complete madness. I say to the Minister, please reconsider the plans.

In a letter from the Treasury, a previous Minister stated:

"HMRC business units can operate more effectively by co-locating teams in a smaller number of locations".

That is fine. Let us look at some other locations, which the Minister did in the first place. He thought that that was right at the beginning, so how can it be wrong at the end? Is he telling me that his officials are completely bonkers? Is he saying that they made the wrong decision in saying that Chorley should remain open? I believe that the officials are not bonkers. They are absolutely right because they knew that it was the right office to remain open. The only people who did not agree with that were friends in higher places with greater influence. The officials got it right and they are not bonkers, but I am concerned about political interference.

Given that the Chorley office is the least costly office to run—it costs only £203,739.32 per annum—surely it makes more sense to keep it open. It is less expensive to keep open than the offices in St. Helens and Blackburn. That is the reason why it should not close. There is so much more that we can say. I know that the Minister will want to come back with some positive news. I do not believe that he will let my hon. Friends down once again. Once you have been shafted, you do not want to be shafted twice. Please, do the right thing. I cannot stress enough that something smells unhealthy here. Your top officials and your team went out to look at every office—

Mr. Edward O'Hara (in the Chair): Order. I have been listening very carefully, and the hon. Gentleman has sailed close to the wind on a number of occasions. I ask him to be careful of his language.

Mr. Hoyle: Okay. I agree with you, Mr. O'Hara—I do not want to be downwind of the smell that has been created.

Officials who took the right decision and did the right planning said, "Chorley, Accrington and other offices are in the right place, providing the right business with high quality." Those officials got it right, so what has changed? If the office costs less to run and has the best staff, what could have changed anybody's mind? It is logical not to close the award-winning, purpose-built office that officials say should remain open.

We come back to what I said earlier: something about this is very questionable. What influence and undue influence was exerted to close Chorley and Hyndburn, and to allow Blackburn and St. Helens to remain open? How much will the Minister have to spend on those offices to make them fit for purpose? They were not fit for purpose, and they are still not. I say to him: please go away, take another look at the matter and come back to us. We will not go away. We will quite rightly pursue the Treasury for the truth, openness and transparency that we deserve. We expect to see all the letters, notes and e-mails that have been sent over the closures. It is only right that we should.

I would take the better option, which would keep everybody happy and put some of the spare capacity work—tax credits and other things—into the offices. Finally, we should start with Chorley and look at the other offices after.

11.21 am

The Financial Secretary to the Treasury (Mr. Stephen Timms): I welcome the opportunity to debate this matter with my hon. Friend the Member for Chorley (Mr. Hoyle) and others. They take a keen interest in the question of the future of office locations, but my hon. Friend made quite a serious charge, in a characteristically robust way, and I hope to persuade him that it is wholly mistaken.

My hon. Friend knows that we are requiring Her Majesty's Revenue and Customs to increase its effectiveness at the same time as making substantial efficiency cost savings. Those savings broadly equate to a reduction in staff of about 25,000 between 2004 and 2011. When HMRC was created in April 2005, the two former revenue departments had around 105,000 staff and two separate office networks in nearly 600 office buildings throughout the UK. There is an obvious imperative for rationalising the office network. HMRC estimates that as a result of new ways of working together and the

[Mr. Stephen Timms]

expected reduction in staff, it will be able to release up to 40 per cent. of its office space by 2011-12. That is driving the process. Of course, it means that some difficult decisions have to be made.

Given the shortage of time, I will go straight to the question of Chorley. Chorley was reviewed as part of the Preston-Blackpool area, taking account of planning for all the offices in the north-west—we heard about one or two of them in the debate. The decision to consolidate work is based on HMRC's strategic business requirements in the area, which arise from the drive to improve customer services and efficiency, and to vacate surplus accommodation.

I accept that such decisions are often finely balanced, but HMRC has suffered enormously from the uncertainty over the matter for quite a long period. As my hon. Friend said, the decision was announced almost exactly a year ago. The very worst thing that we could do now, especially in the interests of the staff who have been affected, would be to say, "We'll look again at the decisions." We will not be doing so, and we need to proceed with the decisions that have been made.

Mr. Hoyle: The Minister says that everything is set in stone, but the Government have reviewed Wigan and it will stay open another year, so his time scale is slipping. He also ought to take account of the uncertainty of closing the office in Preston because of redevelopment. Other offices are needed. Surely we should keep the purpose-built office in Chorley because the Preston office is going to be demolished, although it is not his fault that it is being developed.

Mr. Timms: That was not known when the announcement about which offices would close was made—the expectation is that Chorley will close towards the later part of 2010. None the less, it would be damaging for the organisation and the staff who have been affected by the uncertainty for me to give any suggestion that the decisions will be revisited.

The Preston-Blackpool area has 14 offices and 3,300 staff. HMRC expects its staff requirement by 2011 to be about the same as now. Unlike a lot of other areas, we are not expecting a drop in overall staff numbers in the Preston-Blackpool area, which is good news for those who work there for HMRC.

Initially, as has been said, the proposal envisaged retaining Accrington, Southport and Cop Lane—one of the seven buildings in Preston—but vacating the office in Blackburn. However, more detailed feasibility work during and after the consultation period suggested that a number of changes would produce a better overall result for the business. The main change was that local compliance decided that, rather than moving away from Blackburn, it made more sense to build up the team there—it already had some 80 staff in Blackburn—and pull out of the other locations where it had fewer staff. There were 30 staff in local compliance in Accrington and 35 in Chorley—there are currently 29 in Chorley—so it made better business sense for local compliance to bring people together in Blackburn, where it had a larger presence.

Mr. Pope: The number of staff in Accrington is 112 and the total in Chorley 77. Will the Minister consider the economic impact of taking that number of white collar jobs out of towns such as Chorley and Accrington in the middle of a recession? Will he at least consider a moratorium until we are coming out of the recession?

Mr. Timms: Again, reintroducing uncertainty would be wrong.

Mr. Hendrick: Will the Minister give way?

Mr. Timms: No. I need to put some points on the record in response to my hon. Friend the Member for Chorley, and I have not been left with a great deal of time in which to do so.

There were changes to proposals for offices in or around urban centres across the whole north-west. For example, Bolton is to be retained because customer operations and local compliance both decided that it was the best available fit with their strategic plans. The driver for the decisions announced a year ago was that the local compliance operation had a much larger group of staff in Blackburn than in the other two locations. In Chorley, the staff total is currently 66, the second largest group being customer operations. However, for optimum efficiency in customer operations, groups of at least 100 are necessary, so Chorley was always going to reduce in size even on the basis of the original proposal.

My hon. Friend asked about the financial penalties incurred by leaving Chorley early. I am assured that HMRC will incur no such penalties, because of the structure of the agreement with the landlord.

My hon. Friend made his disagreement with HMRC's decision to vacate Chorley clear, perfectly properly, and others expressed disagreement with other decisions. However, we need to move to new business operating models, most of which depend on bringing larger teams together in a smaller number of locations and introducing new ways of working. That has driven the decisions. HMRC has to use its resources to good effect, but that does not mean that it simply has to look at the running costs for particular buildings and choose the cheapest. Rather, it means looking at what buildings will work best for its business overall.

We are not proposing any reduction in HMRC jobs in the area compared with the current arrangements. The question is how those people can be provided with accommodation to do the most effective job possible. At the end of the programme—

11.30 am

Sitting suspended.

Council Housing

2.30 pm

Mr. Mike Hancock (Portsmouth, South) (LD): I am delighted to introduce this Adjournment debate on an issue of great importance to my city, the council tenants whom I represent and those around the country who, in my opinion, are being systematically mugged in one way or another by the Government as a result of how the housing subsidy works.

I pay tribute to those constituents of mine and council tenants who presented a petition signed by some 5,500 people to the Prime Minister this morning. Later this evening, I will present to the House a further petition on behalf of council tenants in Portsmouth. Both those petitions ask the Government to take action. The promised review is one thing, but the attitude of Ministers when the matter is debated or questions are asked in the House does not make it sufficiently obvious that there will be a change that will benefit my constituents, who see and will continue to see much of their rent go elsewhere and be retained by the Government.

Some 200 councils retain council housing. The housing revenue account subsidy system currently takes money from about 150 of those local authorities and gives money to 50 other councils. In this financial year, 2008-09, the amount paid by those 150 authorities exceeds the amount received by the other 50 by some £200 million. In 2009-10, the excess, estimated to be some £300 million, will be retained by the Treasury, often to meet other, non-council spending needs. It is effectively a tax on council tenants, some of the poorest and most vulnerable people in the country and in our individual constituencies.

In my case, the facts speak for themselves. In the current year, tenants in Portsmouth will lose some £4.6 million to the Treasury, and large increases are expected over the following years. Our council rents have risen. Realistically, our council rents would have increased this year by 7 per cent. We were able to hold them at 5 per cent. only by using balances that could otherwise been used to benefit housing in Portsmouth.

If that £4.6 million were available, it would have addressed a number of the issues and policies that the Government want local authorities to tackle. It would have been good for the local economy. The money could reasonably have been expended on local builders to refurbish and renew existing housing stock. It would also have provided the local authority with the ability to build much of the housing that we need. If things continued according to the present trend and if we were able to retain the money, by 2013 the local authority in my city would be able to provide more than 1,000 new homes, but we will not be able to do so, because we are continually robbed and penalised.

Portsmouth is by no means the worst example. For every pound spent in the Waverley council area, 49p goes back to the Government to be redistributed or held by the Treasury. The council itself is in an extremely precarious situation. It has a long housing waiting list, and it is bottom of the league for fit homes. Why is that? Because it cannot invest the money.

David Taylor (North-West Leicestershire) (Lab/Co-op): The hon. Gentleman will be aware that the all-party group on council housing, of which he and I are members, is taking evidence today in various rooms in the House which will shortly be submitted to the Minister for Housing. Does he agree that, on the scale of what he is describing, about £200,000 is being taken each hour from capital receipts or housing rent? That is about £300,000 during the period of this debate, £5 million a day and £1.8 billion a year. Those are extensive resources that are urgently needed by people hanging on by their fingernails as far as local authority-owned stock is concerned. It is all part of some subtle, or perhaps relatively unsubtle, coercion to get stock transfer under way. Does he agree?

Mr. Hancock: I agree entirely. I can quote once again from the experience of my local authority. In 10 years, we will not be able to afford to maintain our housing stock. We will not be able to continue being a housing authority, despite the fact that on two occasions council tenants in the city of Portsmouth and in the Havant district, where Portsmouth also has housing, have rejected a stock transfer. They do not want it. They trusted the local authority. I speak as a politician who has spent most of my political life in opposition, but I can say with all honesty that all three political parties that have run Portsmouth have always treated housing as a high priority. The Conservatives, Labour and the Liberal Democrats have always given it priority, shown faith in council tenants and tried to deliver a fair rent. They have always tried to play the game for their council tenants.

Mr. Jeremy Hunt (South-West Surrey) (Con): I congratulate the hon. Gentleman on securing this extremely important debate. He mentioned Waverley, a council that I share with my hon. Friend the Member for Guildford (Anne Milton), and which is playing a leading part in the campaign. Does he agree that poverty is poverty whether it is in an affluent area or in an otherwise deprived area, and that it needs to be treated as such? Does he also agree that the current system creates extraordinarily perverse incentives? A council that reduces its housing debt and crime and vandalism on its estates has its subsidy reduced, which means that it can spend less money on raising the standard of homes that desperately need repairs.

Mr. Hancock: I agree entirely. I had the pleasure yesterday of meeting the chief executive of Waverley council, who put a persuasive case on behalf of her local authority. What happens in that local authority and others makes double jeopardy look like a fairly even-handed approach. They are punished time and time again, not just once or twice but on three or four different levels.

Anne Milton (Guildford) (Con): I congratulate the hon. Gentleman on securing this debate. Does he agree that a number of councils—I cite Guildford, in my constituency, as one of them—do not yet recognise the problem? The matter has come to the fore because of the decent homes standard. In Waverley, on whose housing stock considerable sums need to be spent, they are acutely aware of it. However, for many other councils paying a similar subsidy, it is not quite up there in their heads yet, because they have not yet had to spend as much money on repairs as they will in time.

Mr. Hancock: The hon. Lady makes an excellent point. Sadly, it is not unique. I think that all 150 councils currently being punished in that way could echo her sentiments.

I remember that when I was first elected to the city council in Portsmouth, it had 30,000 council houses. We now have about 13,000. The majority of the houses sold were the easy-to-maintain three and four-bedroom homes. We are left with the blocks built between the wars and in the late '50s and early '60s, which are the most difficult in which to secure and maintain a decent living environment. At a time when we need to be spending money on that sort of thing, our residents and tenants are denied the opportunity for their homes to be put in good order.

Bob Spink (Castle Point) (Ind): The hon. Gentleman is being most generous in giving way. Castle Point council tenants are effectively being hit by a double whammy. First, they are paying higher rents than they should; secondly, they are being denied reinvestment in their local area and in repairs and maintenance to their housing stock. Does he agree that in the current economic crisis it would be wise for the Treasury to reverse its policy and leave the money locally? Locally, it would be spent more effectively to help us to help people in poverty and build our way out of the recession.

Mr. Hancock: The hon. Gentleman always makes useful interventions in debates in this Chamber. His point, once again, is made on a solid foundation. It makes sense to keep the money locally, give a boost to the local economy and deal with the issues that the Government want us to deal with. The Government seem blind to the link between higher rents and increases in the amount of housing benefit paid. Generally, across the country, at least 60p in every £1 of rent paid is effectively paid by housing benefit. Forcing up rents may generate income to the Department for Communities and Local Government, but 60 per cent. of that money will be lost through the increased amount of housing benefit that will be payable by the Department for Work and Pensions. Furthermore, some tenants will be forced to claim housing benefit, with all the extra stress and complex disincentives to working that result from that.

The Government take 75 per cent. of the receipts from every right-to-buy sale of a council home through the rent rebate subsidy limitation, and they do not meet the full cost of housing benefit for council tenants. Taking that money together with the housing revenue account subsidy, in the four financial years from 2005-06 to 2008-09, the Government have taken more than £30 million out of the council housing stock in Portsmouth, which is a staggering amount of money. I am grateful to the treasury and the housing departments in Portsmouth for supplying those figures. Again, that is not an exaggeration; it is fact. Sadly, that situation is not unique to Portsmouth—it is a nationwide problem, and many other local authorities are similarly affected.

I was interested to read the brief that the Local Government Association supplied for this debate. It is not often that members of the LGA galvanise themselves into taking a common approach, but on this issue the LGA has a purposeful campaign and a solid position, which I, for one, welcome. I hope that the Government are listening to those at the sharp end of delivering decent homes for people to live in. There is a need to satisfy the increasing demand for housing and to rekindle enthusiasm for council housing. I am proud to say that I was brought up in a council house in Portsmouth. It did not do me any harm—at least, I hope it did not, but others might have a different opinion. I had a rather large extended family, so I expect that many of my neighbours felt that we would have been better off living elsewhere. Antisocial behaviour orders were not in force then; I am not sure that we would have qualified for one of those, but there might have been a suggestion that we would.

I believe that council houses and the Parker Morris standards changed the way in which members of my generation grew up, as we were able to do so in decent homes. It was to the great credit of the Labour and Conservative Governments of those days that they saw in the Parker Morris standards. That was something to be proud of. I remember joining a local authority nearly 40 years ago and thinking how important it was to give people the same opportunities that I had. Many houses in Portsmouth were way below what was a reasonably acceptable standard for people to live in, and it was only through the determination of my predecessor councillors and my peers in the '70s that the programme continued and people were given that opportunity. I regret that so few houses like that are now built to satisfy the demands of families in cities such as mine.

If the existing arrangements remain in place, collective payments to Government from the paying authorities will exceed £1.2 billion over the next 30 years. That is a phenomenal sum, so we have to be cautious about allowing those arrangements to remain. People will not sit back and allow the current situation to go on. Why should the council tenants of Britain be punished unfairly in that way, and be condemned to live, or to continue living, in properties that the Government know should be subject to improvement under the decent homes criteria? If we do not have the money to do that, we condemn people to go on living in that sort of environment.

What are MPs and local authorities doing collectively? I am delighted to say that my colleague, the hon. Member for Havant (Mr. Willetts), is an enthusiastic supporter of this issue, and I am sure that he would have joined us today if he could have done so. He has a huge number of Portsmouth residents in his constituency, living in what was once the largest council estate in Europe, so he knows, from first-hand contact with his constituents, of the pressures that result from their having to pay council tax to one authority and council rents to another, both of which have great problems delivering the services that ought to be expected in local authority areas.

The good news is that there has been a campaign across the country to show the Government the strength of feeling on this issue; and we have presented 5,500 signatures to Downing street today. Some of the people responsible for gathering that petition are listening to the debate—eagerly, I expect—hoping that the Minister will indicate that some good news is coming. They did not simply take pieces of paper on to the street for people to sign. They sent cards to people, which they filled in and sent back, so this has not been a hit-and-miss, Mickey Mouse petition that anyone could sign whether they were a council tenant or not. All 5,500 signatories are genuine council tenants from the city of Portsmouth, and that gives strength to the campaign. In some local

authority areas—other Members are submitting similar petitions to Downing street today—more than 50 per cent. of tenants have signed up to the campaign. That is not easy to achieve, and I am proud that tenants in Portsmouth have led the campaign both locally and, to a great extent, nationally, and have tried to get it recognised.

Mr. John Leech (Manchester, Withington) (LD): I am grateful to my hon. Friend for giving way. It is good to see him on the Floor of the Chamber, for a change, instead of in the Chair. Does he agree that while all local authorities, whether they are run by Liberal Democrats, by Conservatives or by Labour, see housing as a priority, the Government unfortunately do not do so?

Mr. Hancock: It is sad to hear any Member say that, but I agree with my hon. Friend to a certain extent, because a real passionate desire is needed. The hon. Member for Great Grimsby (Mr. Mitchell) has made it his life's work to try to rekindle enthusiasm for housing and to get the message across, but I sometimes wonder whether he is banging his head against a brick wall.

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): On that point, and in picking up the point made by the hon. Member for Manchester, Withington (Mr. Leech), while I have certainly made representations to Ministers on many occasions about housing supply, it is absolutely ludicrous to conduct a debate on this issue that simply fails to recognise the investment that has come with the decent homes initiative in the past decade and the total transformation of the quality of housing stock. If we are going to be honest about housing in the round, we at least have to recognise those points, do we not?

Mr. Hancock: I do not have a problem with that. However, the situation that we face today in my city is as bad as the one that we faced at the end of the second world war, when a third of the properties were either demolished or totally uninhabitable. The housing waiting list is as long today as it was then, although we have built 30,000-odd council properties. We have begged successive Tory and Labour Governments to do something about this, but they have flatly refused to listen to our pleas that they should provide decent homes for people. I do not decry the fact that lots of money has been put into housing, but this is about council tenants' rents being misappropriated, and taken from them and given to others in cities that have not been as prudent in caring for their housing estates as Portsmouth has tried to be. That is unfair. Why should those who have tried to do their best for tenants have to pay a penalty now, because others chose not to, or because they did not put their rents up when the thing to do was to keep rents low and choose not to service needs? *[Interruption.]* The hon. Member for Regent's Park and Kensington, North (Ms Buck) shakes her head, but if she looked at the facts, she would see clearly that some local authorities have refused to deal with many of the problems on their estates and with ageing properties.

Ms Buck: I am slightly confused. Is the hon. Gentleman arguing for higher or lower council rents, because he appears to be arguing for both at the same time?

Mr. Hancock: I am saying that we are forced to put rents up in cities such as mine, while not providing our tenants with the service that we ought to provide, because other local authorities and councillors have taken soft options in the past by not putting rents up to the same level as we did and not looking after their properties. Why do those 50 councils have to be subsidised by my council tenants? Will the hon. Lady explain why the repair lists in some of those cities are so dramatically high that the Government will not bail them out, although they are forcing council tenants elsewhere to do so?

Sarah Teather (Brent, East) (LD): Part of the problem is that the housing revenue account and the formula for working out what subsidy should go where is very complex, and it is partly based on historic debt. My council is one of those in receipt of subsidy but, nevertheless, I believe that such a subsidy should come from general taxation and those who can afford to pay, not from poor people living in Portsmouth, Cambridge, Waverley or anywhere else.

Mr. Hancock: I agree entirely, and I am happy to know that a representative of one of the receiving authorities is keen enough on this matter to say just that. We need change, which leads me to the issue of what we want. Our key aims are to achieve a fair and locally controlled system of housing finance, and doing so would require the following action: the abolition of the housing revenue account subsidy system; the abolition of the rent rebate subsidy limitation arrangements; all receipts from right-to-buy sales retained by the local authority; rents controlled locally; and all rents retained by, in our case, Portsmouth city council and the housing revenue account. If those changes were to happen with effect from April 2010, it would be of dramatic benefit to those on the waiting list and to existing council tenants. If we do not make those changes, the situation will simply get worse.

How would those changes help the Government meet their aims? They would lead to the poor and vulnerable in our society being treated fairer and better, which I think everyone would agree is important. There would also be savings for the Department for Work and Pensions and better employment prospects for tenants, because they would not be forced into the benefits system by higher rents. The city council itself could finance the building of 1,700 to 1,900 homes over the next five years, which would help meet the desperate need for social housing at affordable rents and help to offset the effects of the recession by maintaining local jobs in building and related industries. Local decision making would empower councils to tailor solutions to local problems and enable them to work with tenants to plan long-term investment in council homes. In addition, devolving power to local councils would stimulate and strengthen local democracy.

Is that too much to ask? Is it really too much to ask from a Government who claim that they care about people on council waiting lists? Is it too much to expect a Government to respond to the known needs of a huge number of people in this country? Is it too much to want to have better and newer homes for people to live in and for children not to be condemned to live on the 20th floor of a high-rise building with nowhere to play and no safe spot, except the corridor in the hall where

[Mr. Hancock]

their flat is? Is it not right to want older people who under-occupy properties to be given a viable alternative so that they can move out of a three-bedroomed home into a decent property? We would love to be able do that in Portsmouth. We have a large number of under-occupied properties, but we face a problem if we expect someone to move out of a three-bedroomed house when we offer them a tenement that does not even have a lift.

If we want people to cease to under-occupy properties, we must use our imagination and deliver for those people the sort of properties in which we would want to live if we had to give up a home with a garden to go elsewhere. These are challenges for all of us, and they are big challenges for local authorities. Local authorities—mine included—could do a lot more if we were able to use the money that we collect from our tenants in the local area. That would satisfy many of the Government's ambitions.

I am disappointed and dispirited. As someone who is still a member of a local authority after 38 years, despite the worst of the Thatcher era when Mrs. Thatcher did her best to deliver the killer blow to local authorities, in my experience it has never been more difficult to try to bring council properties up to a higher standard. The opportunity to build council houses should be given to local authorities again, so that they can actually do it.

Mr. Stewart Jackson (Peterborough) (Con): The hon. Gentleman is making a characteristically passionate and persuasive argument. Should we not reach the conclusion that although the Government have had well over a year to enact and publish the housing revenue account subsidy review—we understand that that might be done by the end of spring—they are really using the HRA subsidy system as a weapon to force local tenants into using registered social landlords across the country? That might be appropriate in some cases but not in others, and such a policy has been driven by the Treasury.

Mr. Hancock: I am afraid that I came to that conclusion some time ago. As I said in relation to my own area, if this situation continues, in the next few years it will be impossible for our tenants to remain under the auspices of the housing department of Portsmouth city council. I am disappointed that that might be the case. It would be a tragedy in the short and long term if that were to happen and people lost the democratic option that the Government offered them. They would be forced into a solution that they have repeatedly refused to go along with because they chose and voted with their feet to stay with Portsmouth, rather than take the other options available. If they were forced into such a solution by the sheer economic mayhem that the Government have created in relation to housing finance, it would be unforgivable and completely unnecessary.

It is not right that people should continue to be robbed in such a way. The Government should be prepared to write to every individual council tenant who has had their rent taken in this way and explain to them in simple language why this is happening and why they are being forced to pay more. Will the Government do that? I think not. They will pass the blame on to local authorities. On this occasion, the buck stops with the Minister. I am delighted to see him here today and I will be even more delighted if, when we have finished our debate today, he gave some good news to those tenants sitting in the public gallery and the countless millions of council tenants across the country who are badly served by this system. Those people are literally being mugged every week by a system that they do not understand. As my hon. Friend the Member for Brent, East (Sarah Teather) said, very few people in local government and, indeed, in Government understand the housing finance situation.

When the chief executive of Waverley council invited the Department to her local authority to explain how they could get the decent homes scheme working, it refused the challenge. When we asked it to explain how the subsidy worked and why we were being punished in such a way in Portsmouth, it was difficult to get a coherent answer from the Department. Why should local authorities be put in such an unenviable position and, more importantly, why should council tenants?

Several hon. Members *rose—*

Mr. Edward O'Hara (in the Chair): Order. Before I call the next speaker, I remind those wishing to speak that contributions from the Front Benchers should commence by 3.30pm.

2.58 pm

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): I congratulate the hon. Member for Portsmouth, South (Mr. Hancock) on instigating this debate. The subject is important and affects many people who, as he rightly said, are on the lowest incomes and sometimes live in the poorest housing conditions. Like my hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck), I straightaway make the caveat that council tenants now live in much better conditions than they did in 1997 because of the great success of the decent homes programme.

I want to say from the start that when I asked my hon. Friend the Minister about the matter in the House a few weeks ago, I had the clear answer that the Government are now, in principle, in favour of changing what I think everyone now accepts is a flawed housing revenue accounts and housing subsidy system. I welcome the working group that has been set up and that will, I hope, report shortly. This problem does not merely affect those tenants whose houses are directly managed by local authorities; it also affects tenants of arm's length management organisations. Their houses are managed by an arm's length company, but the housing funding still essentially rests with the local authority.

If all we were doing today was agreeing that the Treasury should not make a profit out of council house tenants, we could have a simple system—we could alter the figures in the current arrangements and that would be that—but that is not the difficulty. The Treasury certainly should not be making a profit out of council house tenants, but there are other problems. I want to go through the problems as I see them and explain how they affect my constituents, particularly tenants in my constituency.

Historically—certainly when I was chairman of housing in Sheffield back in the 1980s—one could relate services to rents and explain to tenants on a yearly basis how

much their rents were going up and what impact on services that would have. There were options: one could consult tenants and ask for their opinions and, hopefully, reflect those opinions in decisions. That cannot be done now because we have separated the delivery of service from the charging of rents. That is fundamentally unhelpful in a democratic society.

In the past, one could even relate an individual tenant's services to the rents that they paid. We had a system of points-based rents in Sheffield, where points were given for certain attributes of a house. If the tenant asked the authority for a new central heating system, the authority put it in and charged extra rent on the points-based system. Tenants thought that that was great, because there was individual choice. The Government are, in essence, in favour of choice for consumers in the health service and in education. That kind of choice ought to be available to council tenants as well, but it cannot be provided under the current system.

As has rightly been said, the current system is inexplicable. It is inexplicable to tenants—they cannot understand it. I would guess that most councillors and MPs, and probably even some Ministers, do not understand it either. Any system that is inexplicable is a bad system.

Organisations cannot plan. Sheffield Homes is looking to the future and is having to take precautionary steps towards making people redundant because it cannot be sure what its financial position will be in one, two or three years' time. It is essential to plan ahead for investment in housing. That is fundamental to a successful housing service and delivering quality for tenants, but it cannot be done easily.

It must be nonsense that rents are in any way determined from the centre. I can just about understand the principle of bringing rents of different organisations in an area into line, but if there is a principle here—I am not sure that there is—surely it pales into insignificance compared with the complications of trying to enforce it. Therefore, we must get away from that idea and accept that rents may be different in different areas for similar houses, where one is managed by a registered social landlord and another is managed by an arm's length management organisation or a local authority.

I accept that guidelines are used to try to fix rents from the centre—the figure this year is 6 per cent.—but the reality is that those guidelines, which are based on finances dictated from the centre, certainly push organisations, councils and ALMOs in that direction.

I will briefly throw in a party political point. It is disappointing that Sheffield council has pushed Sheffield Homes into a 6 per cent. rent increase but given it only a 2 per cent. increase in its revenue this year, which is half what the ALMO needs to keep services going. It is also disappointing that the council began with a commitment that decent homes work carried out to properties in Sheffield would be done to the same standard throughout the programme, from beginning to end. The new Liberal Democrat council has just cut back on those standards, so many people who get work done in the last two years of the programme will have it done to a lower standard. That is a party political point to match some of the ones that were made earlier.

Of course, there is new build—I accept that. The current arrangements in the housing revenue account mean that councils can actually lose grant for building homes. I accept that the Government have gone some way towards redressing that and have said that if organisations come forward and request a social housing grant, the funding can be kept outside the housing revenue account system so that there will not be that impact if they seek to build new homes.

However, this is not just a Government issue. Given the effects of the current financial circumstances on housing generally, we will not get new building of council homes off the ground, even if the social housing grant is increased to a much higher percentage, unless local authorities are prepared to put land in for free to make the system work. That goes right across the board, but some councils clearly are reluctant to do that. They have a role to play as well.

There are clearly problems with the current system, and a system that has that many problems really is not fit for purpose in any shape or form. Perhaps that is why the Government's working party has been going on for so long: the real difficulty is that we can all say what the problems are—they are easy to define—and we can have aspirations as to how things might change, but it is not as easy to say exactly what kind of system can be developed for the future that will meet the various needs that we can all identify. We will not solve the problems in this debate.

The hon. Member for Portsmouth, South highlighted the problem of authorities receiving subsidy through the system, perhaps from other councils. Perhaps that is unfair, but the fact is that they do. If we were simply to tear up the system and say that money would not be transferred from one authority to another, some tenants would find themselves in difficult circumstances. It is not the authorities that I am particularly concerned about, but the tenants.

Mr. Hancock: I share with enthusiasm many of the points that the hon. Gentleman has made, but I would be grateful if he told me why—in his opinion as a former housing chairman and someone who knows this subject, like others in the Chamber—it has taken so long for people to recognise the stranglehold that the policy has had on local authorities' ability to deliver what the Government and their citizens want, which is better and more affordable housing. Why has it taken so long to get to this point?

Mr. Betts: As I cannot answer that question, I will wait for the Minister to respond to it. The Government have acknowledged for the past two years that there is a problem. Perhaps they were a little late in coming to that view. Other people have been campaigning on the issue for slightly longer—I have raised it on many occasions, privately with Ministers and in debates and questions—but at least we have got to a point where the Government recognise the problem. We now have to try to shape the debate and influence the final outcomes.

Dealing with the problems of authorities that are in subsidy will be very difficult, but we are on the Minister's side in the negotiations that he will have to have with the Treasury. Certainly a situation in which subsidy goes to the Treasury from council tenants collectively is unacceptable, but to introduce a new system and make it work, some Treasury subsidy will have to go into housing at a fairly early stage. I know that that will be difficult, but I am not sure that we will be able to make any new system work otherwise.

[Mr. Betts]

I know that other Members want to speak, Mr. O'Hara, so I shall conclude, as the hon. Member for Portsmouth, South did, by trying to develop four principles that I would like to see in any new system. First, there must be that essential link between an ALMO or a local housing authority and their tenants. They must be able to have meaningful negotiations about the rent and services in an area. It is essential that the two are related, and any system that does not allow that to happen cannot be correct.

We have to accept that it is fundamentally wrong that the Treasury should receive subsidy from council tenants collectively. That cannot be right, and the Treasury will have to accept that there is an enormous feeling of resentment across the board, across all political parties and, quite rightly, from council tenants who feel that they are subsidising other services on a national level.

However, I also ask the Minister—this relates to individual local authorities that do not always behave very well in this regard—please, will he tighten the guidelines for local authorities so that they say that money collected from rents has to be spent on services received by tenants, not on subsidising community services in general, which benefit everyone? That happens up and down the country.

In my authority, community wardens are very popular. They are funded by Sheffield Homes, but they do not benefit council tenants only—they benefit the whole community. The maintenance of grass verges and open spaces, and the cutting of shrubs on what were council estates, benefit many people who are not now council tenants, but the funding often comes just from tenants' rents. We must tighten up on the guidelines to ensure not only that the Treasury nationally does not get subsidy from council tenants, but that local services that benefit the whole community are not subsidised by council tenants alone. I would like the Minister to have a look at that as well.

Finally, there probably will have to be a short-term transitional arrangement to change from the current system to a new one, but, please, do not allow that arrangement, with all the normal damping and tapers that are associated with two systems, to go on for a long time. The current system is complicated enough. To put transitional arrangements from that system on to a new one will make things so complicated that even the two people who understand the current system will not understand the new one. Yes, we probably will have to have transitional arrangements, but they should be kept very brief so that we can get to a new system based on the principles that I outlined.

3.8 pm

Mr. Mark Field (Cities of London and Westminster) (Con): I congratulate the hon. Member for Portsmouth, South (Mr. Hancock) on securing this debate. I hope that he will forgive me if I focus most of my comments specifically on my area, in the way that he did in respect of Hampshire, although he strayed across to the Surrey border in some of his early comments.

The hon. Member for Sheffield, Attercliffe (Mr. Betts) summed up one of the core problems: there is a sense of injustice about how the system works. One of the difficulties with trying to draw a line under the past and bring in an entirely new system is that, almost inevitably, there will be significant losers as well as gainers. For those losers, if there are to be transition and damping arrangements, much of the good that comes into place is undermined. There are some big concerns about how precisely we should go forward.

The hon. Gentleman was a leader of a local council. I suspect that he was being modest when he suggested that many of us do not have too much of an understanding of the system. As he will know, however, there is all too often a system to be played not only in relation to housing, but across the range of council services. There are individuals at the highest levels of local authorities who understand exactly how those mechanisms work and can ensure that they operate in the best interests of their local authority, and that is nowhere more apparent than in the housing sphere.

The issues that I hope to raise in the few minutes during which I will address hon. Members are slightly different from some of those that have been raised, and they obviously focus very much on my own local authority in City of Westminster. For some months, news coverage of the housing market has been dominated by talk of falling—falling house prices, falling mortgage rates, falling levels of interest for prospective buyers—but that has not been the case with social housing. While the Government appear to be throwing everything but the kitchen sink at helping the often hapless home owner, they have quietly pushed through some quite significant rent increases. Come 1 April, those increases will hit many tens of thousands of council tenants in London, at the very time when they are being squeezed hardest by the recession.

Ms Buck: Will the hon. Gentleman, as a prelude to the remainder of his remarks, recognise that Westminster council has the second-highest rent in the country? Does that not reflect the considerable leeway that local authorities have been given over the years to set their own rent levels? Did not Westminster choose to increase rent levels consistently and dramatically during the 1980s and 1990s, which is precisely why we now have the problem that I am confident he is about to describe?

Mr. Field: The issue of council rents goes back to the point about how we ensure that we have a fair system. The hon. Member for Sheffield, Attercliffe talked about the Treasury giving subsidies, and some phenomenal subsidies are given to the council rented sector. That has been the case since time immemorial, and it is very difficult to row back from that position.

I accept—this relates to some of the issues in my constituency that I want to discuss—that central London is in an exceptional situation in many ways. However, the difference between the rent for those who live in social housing and council housing, or arm's length management organisation housing in the case of CityWest Homes, and any market rent is colossal. Understandably, that causes dismay and irritation among those who are not particularly well paid, but who are none the less well paid enough and in stable enough employment that they cannot get into social housing, even though they cannot begin to think about getting on the housing ladder or paying anything like a market rent to live in the centre of London.

In many ways, as we can see from the interest in the Chamber today, some of the Government's proposals for rents have the makings of a repeat of the 10p tax band fiasco. For those with short memories, the Government hoped to grab the headlines through populist handouts in the 2007 Budget and conveniently to disguise the fact that the abolition of a 10p tax band would mean that the poorest were worst off.

As has been said, the formula for calculating social housing rents is set by central Government. As a result of linking that formula to the retail prices index figure from September 2008, when inflation was at a peak of 5 per cent., the Government are intent on imposing rent increases of 6 to 9 per cent.—by any measure, well over double the current rate of inflation. That works out at a rise of at least £300 a year in the rental bill of the average tenant—at least in Westminster. What is more, tenants in such properties tend to be on fixed incomes because they are pensioners, disabled—either in full-time or part-time work—or just above the benefit threshold. They will be the people who have to find the money by taking their already stretched household budgets back to the drawing board.

It has often been complained—I have some sympathy with the Minister's situation in this regard—that councils have no flexibility to set their own rents under the current system. I can see that it would be difficult to have a free-for-all. To be absolutely candid, the fact that there are now considerably more Conservative and Liberal Democrat councils than there were perhaps 10 years ago means that we hear this klaxon voice in a way that we did not then. However, as the Minister is aware, London's local authorities will be forced to impose rises on their tenants or suffer the financial consequences if the formula is not adhered to.

Eight local authorities in the capital—Westminster, Kingston, Southwark, Harrow, Hillingdon, Camden, Brent and Hounslow—oppose the proposed rise and have lobbied the Minister for Housing by sending her a cross-party letter to try to change her mind. My own local authority in City of Westminster has spearheaded the campaign and would like the Government to take a more reasoned approach, keeping any rent rises to an absolute minimum. It believes that the Government should look again at the formula that they use to calculate rent or consider further Government assistance for tenants to mitigate the impact on local authority budgets if Ministers insist on pressing ahead with these inflation-busting increases.

At this point, it is worth mentioning the fact that, should the housing revenue account subsidy system remain unreformed, a 6.2 per cent. minimum increase has already been allocated for the financial year 2010-11.

It is clear that inflexible, centralised control of the rental system is not working, particularly here in the capital. Aside from imposing rent increases on vulnerable tenants in the most difficult of times, it fails to cater for a significant number of people who are, as I said, too poor to buy, but too rich to rent socially.

Earlier this year, I secured a debate in this Chamber on the problems facing London's housing associations during the economic downturn, as the Minister will know because he responded to it. One of their complaints, which came through loud and clear, was about the inflexibility of the social rent structure, and I want to highlight that concern again.

I accept that wealth disparity has afflicted London since time immemorial. Other London Members in the Chamber—whether from Brent or Kensington—will know that there has been much more polarisation in the relatively short time that we have been Members of Parliament than there was before, and I have certainly seen that in my eight years in the House. There continues to be huge demographic change, and those on middle and low incomes—in the capital, that can mean those who earn well over double the national average wage—get pushed out of area. That includes many families who have lived in our vicinities for generations.

My local housing associations are eager to use their resources to cater for that low-to-middle income group, but the rigidity of the rental system means that they cannot get the most out of their housing stock. In exchanges in the House, I mentioned the example of the housing arrangements of an elderly constituent who passed away last year. She had lived as a secure tenant in her home on the Peabody estate on Wild street in Covent Garden since 1986 for a rent of £75.50 a week, which included services. The estate is moments away from the glitz and glamour of the Covent Garden piazza, and the market rent for the flat would be about £320 a week, which is roughly four times the amount that she was paying. The flat is now being re-let at £116 per week, including services, to a tenant with support needs.

So, the typical difference between the social and market rents in my constituency is often £200 a week, or £10,000 a year. Although that is an extreme example, there will be similar examples of that huge disparity throughout London. What happens to those who fall between the two extremes—those who do not qualify for social housing, but who cannot realistically afford the cost of market rents in central London? At two thirds of that cost, the gap is huge and getting bigger, and we need to find some middle ground.

Housing associations are frustrated that the income that they receive from renting a property in London often barely covers the maintenance costs and that the rental income from a four-bedroomed house is only slightly more than that from a two-bedroomed flat. The same applies when we look at the differences in rent for a zero-carbon home and an old, inefficient property. None of that makes sense.

I appreciate that other hon. Members wish to speak, so I will bring my comments to a conclusion. The current centrally imposed national rental system simply does not and cannot work for London tenants. I suspect that that is an issue not just for the capital, and we have seen it in Portsmouth and other parts of the country. If the proposed rent rises go ahead, they will serve only adversely to affect tens of thousands of council tenants at a time when the Government purport to be doing all they can to mitigate the impact of recession.

Ms Buck: Would the hon. Gentleman mind agreeing with me on the issue of rents and subsidy? Is he aware that Westminster council delivered a letter about rent increases to every tenant? That letter included a form of words that suggested that Westminster tenants were contributing to a national pot that was being redistributed across other parts of the country. Will he take the opportunity to agree with me that that is untrue and misleading? Westminster council has enjoyed a cumulative

[Ms Buck]

total of £115 million in positive subsidy in the past year, including just under £7 million in positive subsidy in the current year. An attempt to claim that that rent increase is because tenants' rents are being exported to other parts of the country is simply a lie.

Mr. Field: I cannot agree entirely with the hon. Lady. I do not deny that Westminster council has been a net beneficiary of significant subsidy over many years, but we now have a hybrid arrangement, for reasons that have already been pointed out, and are looking for a final arrangement with the social housing fund. A certain amount of cost subsidy is going from Westminster to other parts of the country from the current rents on the basis that has been mentioned, so I do not think that it has been misleading to other tenants.

I know that the hon. Member for Stroud (Mr. Drew) wishes to speak, so I will bring my comments to a close. Many Members across the House would like the Government to look again at the impact of what is and has been a pretty inflexible and centrally controlled system, particularly for those in the capital who remain locked out of the hugely expensive private market. If the Government do not do so, they run the risk of repeating the 10p tax fiasco and penalising the most vulnerable in our communities at a time when those folk are the most in need of a helping hand.

3.21 pm

Mr. David Drew (Stroud) (Lab/Co-op): I am delighted to take part in the debate and strongly congratulate the hon. Member for Portsmouth, South (Mr. Hancock) on securing it. I also congratulate him on choosing today for the debate, because some of us on the all-party group on council housing have been listening for several hours to evidence from tenants from different parts of the country, including Birmingham, Norwich and Reading, and also from Stroud, and some of my constituents are here to listen to the debate.

Had the Minister managed to pop into that meeting, he would have heard tenants express a mixture of mystification and anger over the rent situation that they face. There is one thing worse than hearing from me today, and that is hearing from my hon. Friend the Member for Great Grimsby (Mr. Mitchell), who chairs that all-party group and is stuck in that meeting taking evidence to the very end, and I pay tribute to him for what he has done.

The campaign is not recent and has been running for more than a decade. Alan Walter and all those who support Defend Council Housing deserve our support and congratulations for keeping on with the campaign. We think that we are beginning to win not only the arguments, but the outcome, because there needs to be change. I will not speak for long because I want to hear the excellent things that the Minister has to say about solving the problems.

I wish to make three underlying statements on the essence of where we need to go on that. First, I wish to warn against disaggregating the housing revenue account, which Defend Council Housing is also against. It is tempting to say to the councils that are in surplus that they can keep the surplus and that the Government must somehow, magically, find solutions for those that are not in surplus, but there are two problems with that: as a socialist, that is not how I would like to see things go, because those mainly urban authorities deserve support; and more particularly, there is a danger if that does not work out that those involved will be picked off one by one. I have experience in that area and led the campaign, with the tenants who were present today, against the large-scale voluntary transfer, which I thought was the wrong approach at the wrong time, and we won that ballot overwhelmingly, as several others have done. We should not, however, be penalised because we saw the genuine, democratic right of those authorities to choose what they wanted, which is local authority housing. The good point that came out from our meeting today was that we saw how much people want to remain with the local authority. That is not a negative, but a positive.

Secondly, there will have to be a write-off of debts, and I make that point loud and clear because the Exchequer Secretary to the Treasury has just entered the Chamber. There is no way of avoiding that, but would it really be a write-off of historical debt, because many of us—although not all—would argue that council housing has paid for itself many times over? That is the only group being asked to pay off historical debts, as we do not ask for payback from housing associations, or from those in the private rented sector, even though the money ends up with the landlords, or from owner-occupiers who have received subsidies to pay off historical debts. Why then are council tenants being picked on? It is grossly unfair and unjust and we need to do something about it.

Thirdly, we need total transparency, and we must always argue for that. If it does nothing else, it will explain what really goes on. I can make accusations about the local authority in Stroud, which has filched about £5.8 million by taking it out. It could be argued that that was for the benefit of tenants, but it was of course for the benefit of everyone else as well. How is it that we really do not know what the figures mean? That might be because some of us are not so bright or good at calculating those things, or perhaps it is because the matter is so complex that we do not know whether the audit trail leads to central Government, local government or, as many of us presume, a mixture of the two. We need to have clarity, because we will not sort the mess out until the figures are explained to everyone completely overtly.

I will make several other points quickly because we will soon move on to the winding-up speeches. I am worried about the way in which we handle this in relation to older residents living in sheltered accommodation. There is now even less clarity about that, in part because we now have two different finance streams, the normal housing revenue account and the supporting people budgets. As we know, sheltered housing is changing the fundamental basis of what it is there to do, so I appeal to the Minister that we need not only to solve the big problem, but to solve the problem at a micro level. We do not want to disadvantage one group of tenants, even if we can solve the bigger picture. I am aware of the anger over that, and the Minister will have to take my word on that because I, like him, have been meeting tenants over decades. The Government cannot ignore that any longer, and they cannot pretend that a review is the answer until such a review comes up with

radical solutions on how to deal with today's problem. Today's problem is multi-faceted and is not only about those people in council accommodation whom we want to look after.

I pay tribute to the Government for the decent homes standard, which has dramatically improved the stock, as my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts) has said. However, we know that the money is beginning to run out and is certainly getting caught up in the argument over rent increases. It is no good saying to people that a 6 per cent. rent increase can be justified, even if some of the money is being used to improve the standard of housing, and too often it is not. As the hon. Member for Portsmouth, South has said, it is a double bind, because tenants are not only paying more, but getting less for their money. That is not fair and we cannot allow it to happen.

With regard to knowing where we go from here, we need to understand that the reality of the situation is that if we do not fix what we have at the moment, we can never talk about building again. A Damascene conversion would not be a moment too soon. If the Government are saying that part of the solution to our housing problems is that we have to build local authority housing again, despite those who ask why we went through all the arguments of why that was not the right way to go, let us congratulate them and get behind it.

This issue transcends party politics, because if we do not do that, today's crisis will become tomorrow's catastrophe. I welcome the fact that we are now seeing that as a solution, rather than as a problem, but we need total transparency on the figure and we need to ensure that the will is translated into action. More particularly, we must recognise that the people who have suffered have done so for too long and that it is about time that we listened to them and dealt with what they are saying to us, because what they are saying to us is right.

3.29 pm

Sarah Teather (Brent, East) (LD): I congratulate my hon. Friend the Member for Portsmouth, South (Mr. Hancock) on securing this debate. It is timely, because, in the past two weeks, most council tenants will have received next year's bill and realised that their rent is going up. This is a time when most people are thinking hard about the services that they receive from their local authority. The figures that my hon. Friend gave were stark, with £4.6 million lost this year to the Treasury, and he spoke about how it will have an impact on the ability to refurbish stock as well as to build. I congratulate him on being able to collect 5,500 signatures, which is a great achievement and testament to the strong feeling in many areas of the country. People think that the money they are spending is going to their own housing, but it is going into Treasury coffers or to fund refurbishment elsewhere.

My hon. Friend also made the point that if authorities were able to keep that £4.6 million, they would be able to build 1,000 new homes by 2013. If we were to apply that throughout the country, it would go some way to meeting the targets that the Government have set councils. Currently, they are simply unable to meet them. The hon. Members for Guildford (Anne Milton) and for South-West Surrey (Mr. Hunt), who represent the Waverley area, are not in their places, but I, too, was lobbied by Waverley council yesterday, and it is doing a good job of bringing the issue to people's attention. It is worth repeating that for every pound spent, 49p goes to the Treasury, which is an incredible rate of taxation. There are very few other areas in which one would expect poor people to pay such a high marginal tax rate, yet poor tenants pay 49p in every pound of rent straight to the Treasury.

Several hon. Members mentioned the perverse incentives of the current housing revenue account system, and that was a point well made. My hon. Friend also noted that the issue is not just about rent, but about receipts from right to buy, and, when we add the money up, we find that a large amount leaves local housing finance every year.

Many hon. Members made the point that the current system is complex, as I did when I intervened on my hon. Friend. Part of the problem is that many subsidy issues are based on historical debt and on a complicated calculation of what the Government think an area may need. For many councils, the notional debt that is used to calculate the formula for housing revenue bears no relation to the actual debt, so the financial model is very complicated. The hon. Member for Sheffield, Attercliffe (Mr. Betts) made the point that, as a first principle, the Treasury should never make a profit out of poor tenants. The Government's review seems to have been going on for absolutely ages, and I hope that the Minister will say when it will finally report. When it does, I hope that the second point that the Minister will accept is that poor tenants in one area should not subsidise poor tenants in another. Poor tenants who are in council property are poor wherever they live. It does not matter whether they live in Brent, Portsmouth, Kingston or Cambridge, they are all in the same position, and the people who should subsidise local repairs and rebuilding out of general taxation are people like me, who can afford to pay their taxes, not people who live in social housing.

The hon. Member for Cities of London and Westminster (Mr. Field) made the point well that the Government are forcing rents up. The guideline rent formula sets rents at RPI plus 1 per cent.

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright) *indicated dissent.*

Sarah Teather: The Minister shakes his head, but any council will say to him that, if they do not follow the guidelines, they suffer the financial consequences. The whole HRA system is predicated on the Government's starting model, which forces councils to put rents up on average by 6.2 per cent. However, the retail prices index has fallen through the floor since rents were set in September, meaning that many council tenants pay substantially higher rents than one would expect for the inflationary average. Throughout the country, council tenants are falling into severe arrears: 40 per cent. of council tenants in London are in arrears, and that is a shocking figure; nationally, the figure is one in three. Some 80,000 tenants in London are in arrears, and 11,000 of them have been threatened with eviction, underlining the point that the rent increases are felt very keenly by people on very low incomes. This is a story about what is happening to the working poor, because those who are in full receipt of housing benefit do not

[Sarah Teather]

have any difficulties with the rent increase; it is about what is happening to people who are on a low income but in work. The Treasury keeps so much of that rent that it amounts to a tenant tax.

Mr. Drew: Does the hon. Lady agree that one problem is the segregation between those tenants who receive housing benefit and those who pay full rent? Explaining to people how that can be fair is not easy.

Sarah Teather: The hon. Gentleman is correct. I have seen many people, not just in council properties but in private rented accommodation, who work, but the rate at which housing benefit falls off makes it difficult for them to sustain work. People get trapped in a situation whereby it is better for them not to work, and that is very distressing for people who may have worked all their lives but live in accommodation that is too expensive to afford if they do not receive housing benefit.

The clear conclusion that everybody has reached is that we need to reform the HRA system.

Mr. Hancock: Before my hon. Friend finishes her speech, I must put the record straight. As much as I would like to claim credit for the petition that was drawn up by people in Portsmouth, I cannot; it was produced and worked on by the tenants themselves, and it is to their great credit that they sustained their effort over such a long period—individually approaching tenants—to get so many signatures. I should love to take the credit, but I cannot, so I congratulate them on their efforts.

Sarah Teather: I am sure that those who collected the signatures will be grateful for my hon. Friend's words.

The clear conclusion, which I am sure the Minister will agree with, is that we need to reform the HRA. We have had this debate on the Floor of the House many times, and he has said, "We will reform the housing revenue account system," but the question is when. I fear that the Government will just tinker with it. The Minister for Housing recently announced that councils would be allowed to keep receipts from right to buy for new properties, and may be able to keep rents for new properties that they build; however, that will make absolutely no difference to overall housing finance for most councils. If the Government are to reform the system, they will have to do a root and branch reform: they will have to give councils the right to keep their right-to-buy receipts and rent in full, and we will need a system in which any required subsidy is provided centrally through general taxation. Only then will we have a system in which the finances are stable enough for councils to plan. If they cannot plan, there is no way they can borrow. The current situation, notwithstanding the need to borrow to build, creates chaos in the running of any housing department, so I hope that the Government will take that point seriously, because 1.7 million families are on the housing waiting list and we desperately need councils to build new homes. They cannot do so under the current system. It is no good the Government saying that they have given councils the permission to build new homes, because, in effect, they have shackled them so that they cannot possibly do so.

3.39 pm

Mr. Stewart Jackson (Peterborough) (Con): I add my warm congratulations to the hon. Member for Portsmouth, South (Mr. Hancock) on securing this important debate, and I echo his comments about the patron saint of council housing, the venerable hon. Member for Great Grimsby (Mr. Mitchell), who is not in his place to share his views, as he often does. The importance of the debate lies in its background—the Government's lamentable record on housing. That is why it is important that we address the key issues that hon. Members have raised today.

As the hon. Member for Brent, East (Sarah Teather) said, in 1997 just over 1 million people were on the housing waiting list, but now there are 1.67 million—as of 2007—which is an increase of 64 per cent. As of March last year, 78,000 people were in temporary accommodation, which is almost double the number in 1997. This is a significant problem. We are not discussing an arcane academic issue. Where there is consensus, it is on the basis that we need transparency, openness and a focus on local people making local decisions. As I mentioned in my intervention on the hon. Member for Portsmouth, South, it might be appropriate for tenants to wish to move over to a registered social landlord or to remain with their local housing provider—the district, borough or city council—but it is for local people to decide. I have made it clear that the housing revenue account, as it is presently constituted, is being used as a weapon to force people to move to registered social landlords. There is not a level playing field. The perversity and unfairness of the HRA is evident from the remarks made by hon. Members.

It is important to have some historical context here. The housing revenue account was established in the way that it was, under a Conservative Government, because historic debt levels needed to be serviced at that time. That situation does not obtain at present and the Government cannot make that case today.

I agree with the argument made by hon. Member for Stroud (Mr. Drew) on disaggregation; he took issue with the hon. Member for Portsmouth, South who holds the opposite view. Disaggregation as it was practised in the 1980s was about wealthier Conservative councils in the south of England effectively making payments based on housing need, demography and social factors to—generally speaking—Labour-voting areas in the north of England. That was probably right then, but the degree of complication is such that it cannot be justified at the moment, because everyone feels that they are getting an unfair deal.

Ms Buck: Before the hon. Gentleman moves on, would he care to remark on the fact that the history of rent increases over the last 10 years, and in the previous 10 years, shows that they were significantly higher in real terms under the previous Government than they are now and that, by and large, they are significantly higher under Conservative councils than under Labour councils?

Mr. Jackson: I do not have the figures, so I cannot agree or disagree. I would probably beg to differ on the latter point. There is a causal link with rent, in terms of rent increases in the 1980s and '90s, because Labour councils generally did not run their housing stock well and therefore had a larger level of debt and needed to raise rents accordingly.

May I just make some general points about where we agree? The Government have to make the case for 75 per cent. of capital receipts from right to buy being remitted directly to the Treasury. They also have to make the case for only one third of the rent rise being remitted back to repairs and maintenance in the current financial year. Figures published by reputable organisations show that the sum for management, maintenance and repair of council housing stock is effectively underfunded by approximately £2.3 billion at present.

The Minister may laud the decent homes standards, but the money is running out, as the hon. Member for Stroud, who is not in his place, said. The Government had an opportunity at the end of last year to put the money that they used for the £12.5 billion VAT cut into, for instance, facilitating the use of 9,000 empty housing association properties at the end of November 2008 or assisting local councils directly in building council houses. In passing, Dover district council, a Conservative council, chooses to build council houses, notwithstanding the Government's rules.

The other perverse effect, which was mentioned by the hon. Member for Portsmouth, South and my hon. Friends the Members for South-West Surrey (Mr. Hunt) and for Guildford (Anne Milton), is that good councils that seek to improve the quality of tenants' lives and the housing stock are being discriminated against and efficiency is punished by the present system. A wider point, which has been revealed by the report produced by Professor Hills at the London School of Economics, is that although there was once a variety of tenure and employment, now only 22 per cent. of people of working age in social housing in this country are working. It cannot be right that that kind of segregation has developed and been allowed to flourish under this Government.

I should like to speak specifically to the issues raised by the hon. Member for Portsmouth, South. He rightly mentioned the failure to meet and fully fund housing benefit costs. That should be an integral part of the review. While I am at it, I should like a definite undertaking today from the Minister about when the review will be published. He has alluded to it in the past, in parliamentary answers, saying that it will be later in the spring. We were told on 31 March 2008, when discussing the Housing and Regeneration Bill on Report, that the report on the review was coming along and that it would be published. However, we are almost a year on and it has not happened.

The hon. Member for Portsmouth, South talked about the quality and type of houses that could be built. I feel duty bound to say that the Government's regional spatial strategies and their flawed density targets mitigate against building houses. So people are forced, given the situation with registered social landlords and the small number of council houses, to build flats, which is not appropriate.

The hon. Gentleman calls for the abolition of the HRA subsidy, as it now is. I do not agree with him on that. In fact, I take the view advanced by the hon. Member for Stroud.

The hon. Member for Sheffield, Attercliffe (Mr. Betts) made an astute point, saying that the lack of long-term planning in the housing revenue account subsidy system makes it difficult for local housing authorities to plan ahead.

Sarah Teather: All I want is clarification. I am not quite clear what the hon. Gentleman's policy is. Is he saying that he wants to change the HRA system? He said that he does not agree with disaggregation. Does he agree with me that the subsidy should be funded through general taxation? I am not clear what the Conservatives' position is.

Mr. Jackson: I will allow the hon. Lady to articulate the Liberal Democrat policy. My policy is that we support disaggregation and understand why it came about, and we believe that there has to be a persuasive case to get rid of that in its entirety.

Sarah Teather: So no change.

Mr. Jackson: The hon. Lady, from a sedentary position, says "no change." We have yet to see the Government's proposals and we will comment when they are published.

My hon. Friend the Member for Cities of London and Westminster (Mr. Field) made the astute point that the situation with rents and the 6 per cent. average council property rent rise could be another 10p tax debacle. We know that the rate of council rents was set on historic data in respect of the inflation rate from September 2008.

Mr. Hancock: Flawed.

Mr. Jackson: Flawed data, indeed.

My hon. Friend also made a sensible point about wealth disparities. The hon. Member for Brent, East will also know, because she comes from the same neck of the woods, that that is an important issue that the Government need to look at.

Finally, the hon. Member for Stroud—

Mr. Betts: Is the hon. Gentleman committing a future Conservative Government to funding any subsidy needed by those authorities currently in subsidy, which now will not come from those authorities where tenants were paying a contribution into the centre?

Mr. Jackson: The hon. Gentleman must wait with bated breath for the housing Green Paper that the Conservative party will produce soon. He must contain his excitement, but I have no doubt that he will give that Green Paper a robust analysis when the time comes.

Obviously, there is great unhappiness at local level—that has been reflected in hon. Members' comments today—about the operation of the housing revenue account. There is consensus that there should be clarity, transparency and, above all, alacrity. The Government have had a huge amount of time to get it right. They originally said that would happen in 2010, and they are now saying that it will be in 2009. It is important that local people make local decisions, because what is appropriate for one group of people in Portsmouth will not be appropriate for another group in Sheffield, Attercliffe, Hartlepool and other areas.

This has been a useful debate. The mood of the House is such that I think the Minister will take away our request that the review be concluded quickly, and I hope that he will answer the specific points that have been made by hon. Members today.

3.50 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): It is a pleasure to serve under your chairmanship, Mr. O'Hara, and I congratulate the hon. Member for Portsmouth, South (Mr. Hancock) on securing the debate. As has been mentioned, we often see him in your place in the Chair, Mr. O'Hara, and it is refreshing to see him change his role and come down into the bear pit to debate among us.

As the hon. Member for Peterborough (Mr. Jackson) said, this has been an important, timely and interesting debate on ensuring that the rents paid by people living in council housing are fair. That is vital to help to secure a fairer society so that people who need assistance with their housing needs can look to their local council to provide it at a cost that is lower than the market rate and affordable to them.

Several hon. Members have mentioned the Government's role in setting rents for local authority tenants, and I want to clarify that. References have been made to the Government imposing high rent increases on tenants. The hon. Member for Cities of London and Westminster (Mr. Field) said "imposed" and "pushed through", and the hon. Member for Brent, East (Sarah Teather) said "forced". I completely and utterly disagree, and that is emphatically not the case. Setting rents for council house tenants is a matter for each local authority. Guideline rents for local authorities form part of each year's housing revenue account subsidy determination to make assumptions about a local authority's income and its entitlement to subsidy, but we do not and cannot force a local authority to set a specific increase in rents.

Setting rents, particularly deciding the annual increase in rents paid by tenants, remains absolutely a matter for the local authority. That is not something that the Government can dictate or impose.

Ms Buck: I am interested in the Minister's words in confirming that. Last year, Westminster city council's housing panel said specifically that it is a decision for Westminster city council to decide rents, but that position has completely changed in the past 12 months. Will he confirm that there has been no change in Government policy since the council admitted that it was its prerogative to determine rent levels?

Mr. Wright: I can confirm that absolutely. The Government do not dictate or impose on local authorities rent increases for council tenants. That position has been consistent for several years, and remains the case.

Sarah Teather: Surely the Minister agrees that if councils in receipt of subsidy do not set rents at around the Government's guideline level, they will be left with a giant black hole that they will be unable to fill.

Mr. Wright: No, I disagree with that. Local authorities have considerable autonomy. They set their own rents, and that is a matter for them. We do not impose rent levels. This year, they have set rents at below guideline rents, which indicates that they can decide individually what to do. That is precisely the policy that has existed for some years, and I cannot reiterate it strongly enough. That is categorically the case, not as we have heard in the debate.

Mr. Field: The Minister is exaggerating local authorities' autonomy because, as the hon. Member for Brent, East (Sarah Teather) said, there would be a black hole in their budgets, not least when there has been so much passporting. I am not trying to make a narrow party political point, because passporting and local government lack of financial discretion came in well before 1997, and I accept that. None the less, the Minister must accept that, given the constraints on local government, the reality is that if councils do not impose rents at the Government's guideline levels, they will be in dire financial straits, and that applies to many local authorities throughout the country.

Mr. Wright: I disagree with the hon. Gentleman, and I am pleased that he has given me the opportunity to clarify a matter of debate between him and my hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck), who pressed him on Westminster city council's subsidy to other parts of the country.

I shall talk about the determination of general subsidy that local authorities provide to the Treasury and which flows back and forth, but first I want to highlight for the hon. Gentleman an answer that I gave to my hon. Friend two weeks ago. She asked

"how much (a) Westminster City Council and (b) CityWest Homes contributed to the housing revenue account in each of the last 10 years; and how much they are expected to contribute to it in (a) 2008-09 and (b) 2009-10".

My answer was:

"Westminster city council has been a net recipient of housing revenue account subsidy in each of the last 10 years. The authority does not contribute surpluses for redistribution elsewhere and we expect this to continue to be the case in 2009-10."—[*Official Report*, 10 February 2009; Vol. 487, c. 1839W.]

In the remaining time, I want to respond to the important point about how council housing is financed. The hon. Member for Portsmouth, South used words such as "mugged" and "robbed". I tend to use more balanced language, but he is right that more than £200 million this year has flowed from local authorities' housing revenue account subsidy to the Treasury, although that must be set in a slightly wider context and I am conscious that an excellent Treasury Minister, the Exchequer Secretary, is sitting beside me.

First—this is important—the Treasury is spending around £5.9 billion on housing this year, which far exceeds the amounts that are going back to the Treasury through the HRA subsidy system. Secondly, and also importantly, in recent years, the Treasury has pumped considerable amounts of money into the HRA system: around £54 million in 2007-08, around £42 million in 2006-07, and almost £208 million in 2005-06. One narrow year cannot be used to provide a definitive statement or a comprehensive view.

I understand that it is necessary to review how council house funding is provided and I shall describe what the Government are doing, but first I give way to the hon. Member for Portsmouth, South.

Mr. Hancock: It is not just one year; it is successive years. It has happened in the past, and it will happen in the future, unless the system is changed. Is the Minister really saying that there is a justifiable case for council tenants in one part of the country having part of their rent taken as tax and given to the Treasury so that it can

redistribute it? Why? Is he saying that he is convinced that that system should persist? His hon. Friends certainly did not share that view.

Mr. Wright: The hon. Gentleman cannot infer from my comments that I agree with that. I understand the tone of the debate. The Government know that the HRA subsidy system is unfair, complex, difficult and, in response to a point made by my hon. Friend the Member for Stroud (Mr. Drew), has no transparency. The important point about rents paid and services provided locally cannot be established, and we must do something about that. The levels of management and maintenance also need to be addressed.

My Department is carrying out a fundamental review of council house funding in conjunction with the Treasury to promote fairness and accountability, and to provide a sustainable and long-term future for council house funding. That is essential. Local authority housing is an important part of the housing offer for this country. It has served us well for about half a century, and we want it to have a key role in the 21st century. I am confident that the review will provide a long-term sustainable future for council house funding.

Bingo Clubs

4 pm

John Hemming (Birmingham, Yardley) (LD): I am pleased to serve under your chairmanship, Mr. O'Hara. I thank Mr. Speaker for the opportunity to debate bingo taxation. I know that other hon. Members are concerned about the issue, as they have bingo clubs in their constituencies, and I will be happy to take interventions later, but I want to make some progress with my speech first, if they do not mind.

Danny La Rue 52, two fat ladies 88 and legs 11 could be a thing of the past if Her Majesty's Treasury gets its way. Almost time for tea 83,000 people are members of Mecca bingo club in Acocks Green, which is in Yardley. It is one of one little duck two bingo clubs in Yardley and man alive five bingo clubs in Birmingham. The problem is that the Government uniquely hit bingo with rugby team 15 per cent. VAT and 15 per cent. gross profits tax—a cumulative tax rate of buckle my shoe 32 and a quarter per cent. That compares with only one 15 per cent. tax on other forms of gambling. Bingo is uniquely hit by extra taxation.

The Budd report in 2001—the gambling review report—identified bingo as the softest form of gambling. After all, who has heard of gangsters sending out enforcers to get payment of bingo debts? However, in the past six years, more than 100 clubs have closed and more than 3,500 jobs have been lost, and hundreds of thousands of people no longer have a local bingo club. The taxation seems to me and many others a deeply unfair system and, if it is allowed to continue, it will lead to the threat of further job losses, the closure of more clubs and the loss of an important social amenity for millions of people throughout the country. That would be a tragedy, as bingo clubs are more than just a soft gambling pastime. They are a meeting place for friends in a safe and secure environment and a community hall or club for many elderly people—but not just elderly people; there are many younger people as well.

Politicians on both sides of the House—more than 200 MPs have a bingo club in their constituency—support the scrapping of double taxation. During the past year and a half, MPs have signalled their dismay at the continuation of double taxation by signing a number of early-day motions in support of the bingo industry, two of which I tabled. It is for those reasons and more that I believe that VAT should be removed from bingo, as that will help to secure the future of one of the most popular indoor leisure pastimes. Interestingly, I have received more communications on this issue than on any other in my constituency.

In the past few years, many hon. Members on both sides of the House have tabled written questions asking the Chancellor of the Exchequer to explain his fiscal policy on licensed bingo clubs and the basis for his decision. I could happily list the many replies that the Minister and her predecessor have given, but they are all similar in one respect—as is usual for the Government, they fail to answer the question. For example, I asked the Chancellor about removing VAT from bingo. The Minister replied:

"The Government take all relevant factors into consideration when establishing and maintaining fair gambling tax regimes."—[*Official Report*, 12 February 2009; Vol. 487, c. 2140W.]

[John Hemming]

I suppose that that is better than saying that it is too expensive to answer the question. The phrases "relevant factors", "specific circumstances" and "specific factors" are the most commonly used defence by the Treasury, but it never explains what it means. Will the Minister take the opportunity presented by this debate to tell me what the "relevant factors" are? Will she explain why she thinks that it is a "fair gambling tax regime" and why bingo has to be subject to double taxation? I would also like to know why after six years of protest from MPs on all sides, the Government refuse to accept that bingo is taxed too heavily.

Another issue that is raised time and again by the Treasury is that the root of bingo's problems is not fiscal and that other factors such as the smoking ban have had a significant impact on bingo. It is worth noting that it has never been claimed that double taxation is the industry's only problem. I agree that the smoking ban has had an impact on the industry, as it has in other areas, but the ban was not opposed by the industry, which actively supported the Government. However, the key point is that although the smoking ban had a negative effect on our nation's bingo clubs, it has no bearing on the fact that those clubs remain subject to a burdensome system of taxation that is more severe than that applied to betting shops, casinos, online bingo, online casinos and poker, online betting, football pools and gaming machines.

Indeed, if one examines the changes made to the football pools in 1995, 1999 and 2002, one sees that the tax burden was reduced through changes to the rates of duty. The Government's stated motivation for making those tax cuts was not that tax was "at the root" of the pools industry's problems, but that it was necessary to help the pools to recover from external factors. Let us compare that with the situation in which bingo clubs are closing over time, with a number of job losses. The Minister may remember that she was instrumental in bringing about those changes, but she appears to have changed her tune now that she is in office. Will she explain why the football pools qualified, yet the bingo industry does not?

One important factor that needs to be addressed is the Government's assertion that changes in pay-as-you-earn or corporation tax within bingo are assumed to be offset elsewhere in the economy, as recorded in a letter to the hon. Member for Sunderland, South (Mr. Mullin) from the Minister. In other words, the Treasury believes that any loss of employment as a result of the closure of bingo clubs—because of double taxation—is automatically compensated for by job creation elsewhere. I am shocked by that assertion. Surely in these difficult economic times, we need to help our businesses. To assume that more jobs will be created is extremely naive.

John Mason (Glasgow, East) (SNP): The hon. Gentleman compares bingo with other forms of gambling. I must admit that I am not a great enthusiast of gambling generally, but the largest bingo club in the UK is in my constituency. On the question of fairness, does he agree that even if there was an interplay with PAYE, that would apply to other forms of gambling and the key issue is the unfairness of the way in which bingo is treated compared with casinos and other forms of gambling?

John Hemming: Indeed. There is an inequitable relationship and it is clear that the courts have taken the side of the bingo industry where relevant. It is as if the Government have it in for bingo. It is very difficult to accept from a commercial angle, which I come from historically, that there is a rational argument for what the Government are doing. Is the Minister aware of the positive effects that tax reform would have for the Exchequer and therefore the taxpayer through the preservation of the broader economic contribution from bingo clubs, including other sales and corporation taxes, local business rates, income tax and national insurance?

Paul Rowen (Rochdale) (LD): I congratulate my hon. Friend on securing the debate. Does he not agree that unlike casinos and whatever else, bingo halls are very much the preserve of the working class, particularly many women, for whom they are a safe haven and provide the chance to have an evening or afternoon out with friends? The closure of many bingo halls, as has happened in Rochdale, impacts on their ability to go somewhere where they can enjoy themselves.

John Hemming: It does seem sometimes that this Government do not listen to those people whom one would describe as working class. Although a wide range of people go to bingo halls—they are not all elderly; many younger people go to them, too—it is perhaps predominantly working-class people who go to them. As usual, however, the Government are not interested in the concerns of the working class.

Mr. Edward Timpson (Crewe and Nantwich) (Con): I congratulate the hon. Gentleman on the work that he has put into the protection of bingo clubs, including the Mecca bingo hall in Crewe. Its 33 employees deal with 2,500 visits on average a week and it has 12,500 members. Perhaps more importantly on the issue of taxation—this is where the Government need to think about whether they are cutting off their nose to spite their face—that single bingo hall brings the Exchequer £1 million of taxation a year and if the Government let the number of bingo halls continue to slide at the rate that they are, they will end up with no taxation.

John Hemming: The hon. Gentleman is entirely right. The fact is that bingo, in common with any industry that employs people, pays other taxation. The issue is that, uniquely in gambling, bingo is subject to two levels of taxation, so economic activity is being reduced. It is a strange argument from the Government. They have been encouraging the more dangerous, more risky, forms of gambling, to which people get really addicted and then find that their finances suffer as a consequence, while penalising what is probably the most anodyne form of gambling that one could find—it is organised at times in Methodist church halls. The Churches are organising bingo, yet the Government see it as an evil monstrosity that all these working people are enjoying themselves playing bingo and want to tax it out of existence as they do with other things that they seem to have it in for.

It would be wrong of me not to mention a positive step that has been taken by the Department for Culture, Media and Sport. The increase in B3 gaming machines from four to eight assists bingo clubs, and it will go some way towards helping the industry, which welcomes

the measure. However, it is sad that that should have been achieved through gaming machines rather than by reducing taxation on the underlying activity. It is a bit like offering a crutch to someone you have kicked, and it does not address the underlying problem of double taxation. The Government would appear to agree with that point, as the Department has called for tax reform on bingo.

The explanatory memorandum to the Gambling Act 2005 (Gaming Machines in Bingo Premises) Order 2008 contains what I think may be DCMS's first public announcement that it supports calls for the removal of VAT. It states:

> "The consultation produced 12 other proposals for assisting the bingo industry. The most popular of these was removing VAT on bingo participation. This is a matter for Treasury but DCMS continues to put the case for this reform."

That seems to show a division at least within the civil service. Given that the Department responsible for the industry is supportive, that the bingo industry is supportive and that the Treasury has been prepared to make concessions on tax—for instance, with football pools—why is the Treasury now ignoring all calls for support and reform?

Members who are aware of bingo's taxation problems will know not only that the current situation regarding VAT on bingo participation fees is unfair and anomalous but that the growing legal precedent confirms that the position is in contravention of the European Union's VAT legislation. The recent VAT and duties tribunal ruling in favour of the Rank Group Plc with regard to interval, or mechanised cash, bingo games confirms the position. Given the discriminatory system of double taxation and the weight of recent legal rulings, it is difficult to see why the Government are resisting calls for its removal.

Since the VAT and duties tribunal ruled that the tax system was illegal, a large part of the industry no longer pays VAT on interval bingo. The cost of ending double taxation on bingo may now be as little as £10 million. That could be funded several times over by the anticipated benefit to the Exchequer of recent proposals to increase stake and prize levels on gaming machines. Will the Minister enlighten us?

John Mason: Does the hon. Gentleman agree that the amount of money involved is quite small? He mentions £10 million. The Government seem to have been able to find money for the banks and for boosting the economy in other ways. At a time of financial problems, we need to boost the economy. Would not that be a good use of a small amount of money, as it really would boost the economy?

John Hemming: I would understand the Government's position if they continually had to provide a subsidy, but their policy on bingo is likely to undermine their revenue take. By maintaining excessive taxation on bingo, they are shutting bingo halls and thus losing the business. Either consciously or unconsciously, Government policy is closing an important sector. The sector does not have many voices speaking for them in government, because it provides services to the working people of this country, and those people are generally not heard by the Government. The Government have decided to go in hard against an essentially harmless form of gambling that is predominantly enjoyed by the working classes. I agree with the hon. Gentleman that it is a relatively small sum of money, and it is counter-productive for the Government to maintain dual taxation.

Finally, I thank my Liberal Democrat parliamentary colleagues for trying to amend last year's Finance Bill and calling for a review of bingo tax. Unfortunately, that was not forthcoming. I hope that the Minister now recognises the political support, and the valuable contribution that bingo makes to communities across the country. I look forward to her response. I hope that she realises the great support for the bingo industry on both sides of the House, and that she will impress on her ministerial colleagues and the Prime Minister the valuable commodity we have in bingo, both socially and financially. I thank Mr. Speaker again for allowing me the opportunity to speak on a subject that is important to many of our constituents. It should be remembered that 200 Members of Parliament have bingo clubs in their constituencies.

4.14 pm

The Exchequer Secretary to the Treasury (Angela Eagle): I congratulate the hon. Member for Birmingham, Yardley (John Hemming) on securing this debate. I am glad to have the opportunity to continue this important discussion on the taxation of bingo clubs.

The Government work hard to take on board the views of all interested parties, and we continue to engage closely with the Bingo Association. That close working relationship enables us to keep abreast of developments in the bingo industry, so that we can respond to any challenges that the industry may face in a fair and appropriate manner. The Government made no change to the taxation of bingo in last year's Budget year. We looked carefully at the evidence provided by the Bingo Association on the state of the industry, but our assessment remains that tax is not at the root of its problems and that altering the tax regime would not be appropriate.

John Hemming: Will the Minister give way?

Angela Eagle: I thank the hon. Gentleman for giving me the chance to get into my speech! However, I happily give way to him; it is his debate.

John Hemming: This is perhaps the nub of the Government's argument; it will be interesting to see the background figures for the calculations that make them think that dual taxation is not at the heart of the industry's problems.

Angela Eagle: I am happy to tell the hon. Gentleman that the level of taxation for bingo is about the average for gambling. He said that bingo is unique in having double taxation. That is not true; amusement machine licence duty and VAT is also paid on gaming machines. Bingo's effective rate of taxation is not the 32 per cent. that he cites, but is between 24 and 25 per cent. That is about the average for all methods of gambling, with the exception of betting, which has a slightly different history. Given the way in which all gambling industries work, we do not believe that bingo is out of line.

The Bingo Association has always vehemently objected to what it calls double taxation. As I said, it is not

[Angela Eagle]

unique to bingo, yet the hon. Gentleman asserts that it is. That is not true, so we must agree to disagree with the Bingo Association in our Budgets and pre-Budget reports. We spend a great deal of time exchanging information and having meetings; indeed, I have met the Bingo Association and many hon. Members concerned about the implications for the industry, particularly for bingo halls and other premises in their constituencies.

That does not mean—this is a familiar experience for me as Exchequer Secretary—that those with whom I engage in the run-up to pre-Budget reports and Budgets always agree with the Chancellor's decisions. I suspect that it is in the nature of those interrelations that there may be disagreement on the particular issues that have been raised. In my experience, people almost always wish tax to go down rather than up; and if it goes up they do not like the result. However, I pledge that we will continue to work closely with the Bingo Association and other interested parties to consider the situation that they find themselves in when pursuing their business, and to do what we can to assist them.

Evidence shows that the industry's problems, including club closures, stem from a combination of factors, including increased competition from the wider leisure sector and changing public tastes in leisure activities. Those are long-term trends, and they predate the implementation of the Gambling Act 2005 and the smoking ban in 2007. As the hon. Member for Birmingham, Yardley said, the smoking ban has had an effect. I would be the first to acknowledge that, as I have in many meetings with the Bingo Association; indeed, I thank the Association for being so supportive of the smoking ban. That acknowledgement is there for all to see.

Hon. Members will be aware that bingo in licensed premises is subject to bingo duty at 15 per cent. of gross profits. In addition, most participation fees for bingo are subject to VAT at the standard rate. That is what the Bingo Association and the hon. Member for Birmingham, Yardley object to. On a comparable basis, however, the effective rate of taxation on bingo is broadly consistent with the rate on gaming machines, casinos and the national lottery.

As recently as 2003, the current system of bingo taxation replaced a much more complex regime, under which effective bingo taxation was considerably higher, at 35 per cent. That reform clearly represented a substantial cut in tax liability for the bingo sector, but ever since, it has continued to make vigorous representations to cut the effective rate even further. I would expect it to do so, and we are happy to keep all factors under consideration as we look at the structure of tax on all forms of gambling in the run-up to each pre-Budget report and Budget. I expect to see the Bingo Association again, as I have done prior to previous Budgets.

A particular issue that is often brought to my attention is the rate of bingo club closures across the country. Information recently provided by the Bingo Association suggests that 25 clubs closed in 2008, compared with 37 in 2007. Obviously, club closures are alarming, especially for those individuals and communities closest to them, but closures do not represent a new trend or a fault with the current tax treatment of bingo. In fact, an average of 17 clubs closed every year between 1994 and 2004, highlighting the long-term structural changes that have affected the sector.

As Members are no doubt aware, Her Majesty's Revenue and Customs is involved in a legal dispute over a breach of fiscal neutrality, to which the hon. Gentleman referred. The fact that the dispute is ongoing means that it is inappropriate for me to discuss in detail issues relating to fiscal neutrality. I merely note that an appeal has been made against the initial court decision. The appeal is due to be heard in March and a conclusion is expected between May and June.

Since the reform of bingo taxation in 2003, the Bingo Association has lobbied the Government for the removal of VAT on bingo participation fees. We do not believe that that would solve the industry's problems, and it would cost tens of millions of pounds, which would have to be recouped elsewhere. As I have mentioned, the bingo sector is taxed broadly in line with comparable sectors. I thank the hon. Gentleman for his generosity in commenting on the changes made in social legislation—a part of the law for which the Department for Culture, Media and Sport has immediate oversight—which has made it easier for bingo organisations to operate. He also mentioned the additional allowance of B3 gaming machines, which was announced by my DCMS ministerial colleagues on 4 February. As everyone knows, a reduction in the standard rate of VAT was announced as part of the fiscal stimulus in the previous pre-Budget report.

John Mason: The point of using taxation as a fiscal stimulus is an important one, especially at this time. The Chancellor felt it worth while to cut VAT generally by 2.5 per cent., which costs about £12 billion. Does the Minister agree that if it would boost the bingo industry—she might not be convinced that it would—it would be worth while cutting VAT on bingo? It would cost relatively little and help bingo clubs.

Angela Eagle: Bingo participation fees cannot be removed at a relatively small cost—it would certainly be much higher than the £10 million mentioned by hon. Members today. In any Budget-making process, a balance must be struck between cutting taxation and getting revenue in, as all hon. Members know. We could always cut VAT on one particular form of gambling over another, but we would have to justify doing so and think about how to recoup the money. In the run-up to Budgets, those decisions must be balanced.

Paul Rowen: My hon. Friend the Member for Birmingham, Yardley (John Hemming) mentioned that the Government have changed the rules on gaming machines. Does the Minister accept that any loss of income from reducing VAT on bingo halls is likely to be offset by the increased revenue from the additional prize money now allowed on gaming machines?

Angela Eagle: No, because the changes to gaming machines that the DCMS has introduced do not bring in extra revenue. The machine licensing duty is a flat rate, not a percentage, so it does not bring in extra revenue.

There is a positive side to the bingo reforms that the Government have introduced, even if the Bingo Association, and those who support its view on so-called double

taxation, do not approve of the current tax regime. The hon. Member for Birmingham, Yardley courteously mentioned that in his speech. We have talked about the increase in B3 machines and the reduction of VAT, which is part of the temporary fiscal stimulus. However, there is also the issue of category C machines, which the DCMS is looking at, and on which it hopes to make some announcements in due course. Of course, the reforms in the Gambling Act 2005 abolished the requirements for 24-hour membership of bingo clubs, which makes it easier for them to attract new users to their clubs.

John Hemming: Much of this comes down to a discussion of facts and assumptions. Will the Minister release the basis upon which the Government make their calculations, so that we can identify where the discrepancies are between that which the bingo industry understands to be the case and that which the Department thinks to be the case?

Angela Eagle: The hon. Gentleman is asking whether we can release details about the way in which we cost potential Budget decisions. We can certainly give broad ideas, and I have had this discussion with the Bingo Association on many an occasion. According to our calculations, it always massively underestimates the costs of the tax changes that it suggests. In fact, prior to the last Budget, we discussed the cost of removing bingo participation fees. The costs that the association quoted were similar to the figures mentioned by the hon. Members for Crewe and Nantwich (Mr. Timpson) and for Birmingham, Yardley. We calculate that the costs would be far higher.

I have discussed that with the Bingo Association. We cannot release tax returns that might involve commercial and confidential issues, which is the difficulty with doing in detail what the hon. Gentleman just suggested. However, I am happy to explore whether we could hold an official meeting so that we can take the Bingo Association through some of the details of the costs, which would fall short of creating difficulties of confidentiality and so on. I am happy to see whether that is possible and to contact the Bingo Association, with the aim of trying to secure a more coherent debate about the cost of the measures that it is suggesting. Over the past year, we and the association have been completely at odds on the cost of what it is suggesting. When I say that it will cost much more, it merely asserts that it would not. That is a fairly unproductive use of the inevitably limited time that we have before a Budget to bring about some coherence. I am happy to do that, however, if the hon. Gentleman thinks that it would be of assistance.

John Hemming: I thank the Minister. Something along those lines would be a very good wary forward. In the meantime, it might be worth while for me to meet up with HMRC civil servants to check some of the figures and identify where the discrepancies lie.

Angela Eagle: No—I am quite happy to hold a meeting with the Bingo Association to look at its figures, but I did not say that I would give the hon. Gentleman the run of the Treasury to decide what he thinks of the figures. He should take my offer in the spirit in which I intended it, rather than push his luck beyond what I can agree to.

It is clear that the bingo industry faces a challenging environment, in which it must react to the smoking ban, the implementation of the Gambling Act and the wider structural changes that have led to the long-term decline of the bingo sector. On top of that, it must manage any issues exacerbated by the current economic climate. However, I hope that the bingo industry will continue to engage with us in a sensible way over potential future reforms in the way in which it has done in the past.

Gaza

4.30 pm

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): I am grateful to have the opportunity to raise this issue today. Such a debate is timely not only because of the current situation but because of the information that I bring following the all-party group visit to Gaza last week.

For the sake of clarity and the avoidance of doubt, let me explain the trip. On 15 February, I was part of an all-party group that entered Gaza via the Erez crossing at the north-east of the strip. The attempt to enter began at 9 am and was eventually successful in the late afternoon. We left on the afternoon of 17 February, having spent two nights in the area. I am grateful to my hon. Friend the Member for Birmingham, Northfield (Richard Burden), who led the delegation, and to my hon. Friend the Member for Battersea (Martin Linton) and to the hon. Member for Brent, East (Sarah Teather). I am sure that my hon. Friend the Member for Manchester, Central (Tony Lloyd) and the hon. Member for Kingston and Surbiton (Mr. Davey) would be here in the Chamber today if they could because we were all so profoundly shocked by the things that we saw.

The trip was funded by the Welfare Association, which is a respected non-governmental organisation and charity that is in receipt of Government funds, including £300,000 under the current emergency aid programme. It was efficiently organised by the Council for Arab-British Understanding. Our tours in Gaza were supervised by the Welfare Association or the UN. I want to be as clear as possible about the brief of the visit, which was exclusively humanitarian. We were there, in part, to see the aid projects that the British Government have funded.

I am aware that my hon. Friend the Minister also made a visit to Tel Aviv and Jerusalem on 18 January, on the day of the ceasefire, and that a substantial aid package of some £27 million has been announced by the Government. I do not wish to assume a lack of knowledge by the Minister, but I hope that, at least in my preliminary comments, I can talk about the situation in Gaza from the point of view of an eye witness. I can also talk about the testimonies of eye witnesses to the bombardment of Gaza. Such testimonies may indicate the scale of the problems and the difficulties that present themselves to the delivery of aid. The first and most obvious of those is that it is still difficult to get in and out of Gaza, because of the border restrictions imposed by the Israelis, let alone to bring relief to 1.5 million people.

At the time of my hon. Friend's visit, it was the end of 23 days of the worst violence that has been seen in the Gaza strip since 1967. By conservative estimates, it left 1,285 people dead, 82 per cent. of whom were civilians. If one excludes police officers from that figure—and I do not see why we should—civilians accounted for 70 per cent. of that number, 22 per cent. of whom were children. Some 4,336 people were wounded in the attacks, 43 per cent. of whom were women and children. Most of those injuries were not minor. They were serious injuries that require, in some cases, amputations and long and complex medical treatment. That is leaving aside the trauma and the psychological effects that many have suffered as a result of living in a very confined position. Many people describe Gaza as "the world's largest prison", and there was no route of escape during the intensive bombardment. About 2,500 homes were destroyed.

We visited Beit Hanoun and Izbet Abd Rabo and saw for ourselves entire villages that had been destroyed. At Abd Rabo, 5,000 people had been made homeless in one village and 200 killed. The whole civil apparatus of Gazan society has been destroyed: 60 police stations, 30 mosques and 29 schools. More than 120 commercial buildings have been completely destroyed and 200 partially destroyed. I stood in the ruins of the Parliament building—the Legislative Council—and wondered what the purpose was of destroying Gaza's newly democratic institution. When we asked why such acts of wanton destruction had taken place, we always heard that it was for the Israelis to explain.

We visited four hospitals, which had come under varying degrees of attack, at al-Quds, al-Wafa, al-Hilal and al-Awada. I do not wish to go into detail about the degree of criminality involved because it is perhaps not a matter for this debate, but it may be for another debate. None the less, it is important to bear in mind the enormity of the offences that have been committed by the Israeli defence force—or Israeli occupation force—during this time.

According to the human rights organisations that we spoke to, including the Palestinian Centre for Human Rights, which is a widely respected organisation, such actions may well amount not only to war crimes but to crimes against humanity and to ethnic cleansing. The organisations spoke about the targeting of civilians in their homes, the use of civilians as human shields, the killing of people in cold blood and the targeting of medical staff. I have already said that the overwhelming majority of people killed during the attack were civilian, and also that entire areas were razed to the ground. I raise such points, because they emphasise the difficulty that the Government will face when they have to deal with the Israeli authorities over the supply of humanitarian aid. Moreover, such points are relevant because although we have no new Government in Israel at the moment, we are anticipating a Government who are far to the right of the Government who led the invasion and who may, unfortunately, include racist and fascist elements.

Martin Linton (Battersea) (Lab): It is now more than five weeks since the end of the Israeli invasion. Does my hon. Friend not think that it is a great shame that the intense humanitarian need that we saw all too vividly in Gaza should have to wait so long before the crossings are fully open? Does he not think that it is incumbent on all parties concerned, particularly the Israelis but also the other parties to the agreement, to do everything that they can to open those crossings? The Gazans should not have to wait for the Israelis to form a Cabinet—that could take months—nor should they have to wait, however long it takes in Cairo, to find a complete settlement between Hamas and Fatah. The needs of the Gazans are immediate. The crossings must be opened as soon as possible so that their humanitarian needs can be met.

Mr. Slaughter: My hon. Friend anticipates what I was about to say and the questions that I was going to pose for the Minister at the end of my remarks.

The political context is inseparable from the humanitarian context in that sense. We were privileged when we reached the west bank to meet the Prime Minister, Salam Fayyed, and the chief of staff to President Abbas, Rafiq Husseini. The clear message from the Palestinian Authority is that it is difficult to negotiate with the Israelis at all at the moment, because of the Israeli attitude and the Authority's weakness and disorganisation. The Palestinians are concentrating on Palestinian unity, which is long overdue, and external aid, both material and in terms of pressure on the Israeli Government, to achieve what my hon. Friend suggested.

I shall give two examples of the problems with aid, although I do not imagine that my hon. Friend the Minister underestimates them. We visited al-Wafa hospital. It is not an emergency hospital, but a hospital for elderly people and for rehabilitating people with long-term problems arising from strokes, comas and so on. It is an extremely impressive institution. Two new blocks costing $5 million had just been built—one by the Welfare Association and one by the Kuwaiti Government—and were due to open on 1 January. However, they were shelled almost into destruction. Certainly, they will need $2 million or $3 million to renew the buildings. Part of the hospital was funded by the Department for International Development. The gardens around the hospital, which were well laid out as part of the rehabilitation features, were paid for by DFID—there is a plaque proudly displayed on the wall to that effect.

We were in the surreal position of being shown around the gardens by local people, who pointed out where white phosphorous had landed and burnt into the ground. They showed us lumps of it. Four weeks after they landed on the hospital, those lumps were still smoking, and they would still burst into flames when poked or prodded. The Government ought to take up with the Israeli authorities the arrogance and disregard shown in that action.

We also visited the United Nations Relief and Works Agency warehouses in the centre of Gaza city. As was well documented, the warehouses were bombed by the Israelis, who must have known from their global positioning system co-ordinates exactly where they were. Phosphorous bombs and heavy ordnance—fortunately, in one case, the ordnance did not explode—were landing next to fuel tankers that were there to supply fuel to the people of Gaza. The fact that the Israeli defence force and the Israeli Government are prepared to do that says more about the scale of the task we face in dealing with them than I can.

As my hon. Friend the Member for Battersea said, the problem of access is not new—it does not date from 27 December, but at least from the election of the Hamas Government. The response to years of telling the Palestinians that they had to adopt democratic standards seems to be to bomb their Parliament building. There have been two years of an almost complete blockade in which, ironically, the only way that Gaza continued to function, if it did at all, was through the tunnels under the Egyptian border. The tunnels are now not only being bombed, but policed by the Royal Navy to ensure that materials do not get through. Of course, the policing is designed to stop arms supplies, and that is a necessary pre-requisite to peace, but disarming both sides, too, is a pre-requisite to peace. However, that puts the cart before the horse, which is an apposite analogy, given that a lot of the transport in Gaza is horse and cart because of the lack of fuel—

Martin Linton: Donkey and cart.

Mr. Slaughter: Donkey and cart, as my hon. Friend has corrected me. To close the tunnels before opening the borders has simply reduced the people of Gaza to an even more parlous state than they were in before.

We visited the Qattan centre in Gaza city, which is a fantastic children's centre. Any Sure Start project would be green with envy if it saw its facilities, but it serves more than 12,000 children and was three or four years behind its building schedule—fortunately it escaped bombing—because it has been impossible to get building materials such as glass or concrete over the border. We also visited the al-Moghraka sewage works and proposed water treatment plant. We did not see the plant, because it has not been built. The money is there—again, it was provided by the Welfare Association and the European Union—but the materials cannot be transported into the country. The consequence is that conditions are completely unsanitary. Sewage frequently floods the streets and fields, and it contaminates the water supply. It flows out into the Mediterranean, where the restriction on fishing means that virtually anything caught off the coast is inedible. That is the heritage from which the bombardment came.

As has been indicated in the debate, that makes the opening of the crossings the number one priority. The last week for which I have figures, which is only up to 18 February—I am again grateful to the PCHR, which documents such things—show that some materials and food containers are coming through the Kerem Shalom crossing; some fuel is coming through the Nahal Oz crossing; and a few containers of seed and fodder are coming through the Karni crossing. However, that represents a fraction both of the need and of the materials that were passing into Gaza before the election of the Hamas Government. Opening the crossings is a sine qua non of dealing with the current situation.

I hope to give my hon. Friend the Minister a chance to reply, but also to be precise about the issues that the Government need to address. First, we all agree that the crossings have to be opened, but how will that happen? Secondly, how is the aid that has been promised going to be delivered? I know that some of it has been delivered, but some of it still has to be delivered. Thirdly, how is Israel going to be made to live up at least to some of its international responsibilities? It seems to pick and choose when it wishes to adhere to those responsibilities. We must also include the question of reparations. We should surely look to the Israelis to pay for the wilful damage to United Nations and British Government property, and that of non-governmental organisations, leaving aside any question of criminal culpability.

In the longer term, there is clearly a much more serious and difficult problem in relation to the reconstruction of Gaza, to which the world has essentially turned a blind eye since the Israeli troops withdrew four years ago. The UK Government should take a lead on coming up with a game plan to deal with the problem. It seems to many informed observers—people who are much more informed than me—that the Israelis have a strategy to bomb or starve Gaza back into the stone age. The rationale is that Israel does not see Gaza as part of a

[Mr. Slaughter]

one or two-state solution in the middle east, but as something to be parcelled off and got rid of, and to be entirely fenced off from the rest of Palestine.

The people of Gaza are not going to put up with that. I was privileged to hear a very passionate speech from the Palestinian ambassador last night at a meeting in the Palace in which he noted that Palestinians' impetus is to get into, rather than out of, Gaza. The activities of the Israelis are proving counter-productive. They bolster support for Hamas and Palestinian resistance, and make the peace process much more difficult. They are also making the process of reconstruction more difficult. Only the international community can do something about it, and the Government have a substantial role to play. I hope that the Minister, notwithstanding the difficulties of the situation, will be able to give me some comfort in his response.

4.50 pm

The Parliamentary Under-Secretary of State for International Development (Mr. Michael Foster): I congratulate my hon. Friend the Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) and thank him for bringing us together to debate UK aid to Gaza, and for his extremely valuable insights on the humanitarian situation there, following his recent visit along with our hon. Friends. I enjoy reading his blog and the Gaza diary on his website, which gave an accurate reflection of his visit.

I welcome the other colleagues who were also present at the last Westminster Hall debate on aid to Gaza and the occupied Palestinian territories, which took place in January. I pay tribute to their commitment and dedication to the issue.

I am pleased to have the opportunity to update the House on this important subject and on the events that have taken place since that debate. As my hon. Friend so graphically described, the humanitarian situation in Gaza remains extremely grave. Some 1.4 million people—that is, nearly the entire population—still depend on some form of humanitarian aid. Scheduled power cuts of six to eight hours occur in most of Gaza every few days, and unscheduled power cuts continue. Some 50,000 people are without running water, and a further 100,000 receive running water in their homes only every seven to 10 days. About 21,000 homes were destroyed or badly damaged during the conflict. The United Kingdom focuses on alleviating suffering and helping to rebuild the lives of those devastated by the conflict.

As hon. Members will be aware, the UK has pledged nearly £27 million for the relief effort in Gaza. Of that, we have spent more than £15 million. When I last spoke to the House on the issue, I explained how the UK was rapidly spending the money that it had pledged, including funding for the United Nations, the International Committee of the Red Cross and non-governmental organisations, which are providing food, shelter, safe drinking water and medical treatment, as well as providing for the clearance of unexploded ordnance.

Since that debate, new commitments have included almost £1 million to Mercy Corps to provide shelter and emotional support to children and young people traumatised by the conflict; more than £660,000 to Islamic Relief for psychosocial support, house repair and emergency school rehabilitation; more than £420,000 to Handicap International to provide emergency medical care for 21,000 extremely vulnerable people; £340,000 to UNICEF to co-ordinate the effective provision of emergency water and sanitation; and £1.5 million to the World Food Programme for distribution of food vouchers.

I am pleased to report that the money provided by the UK is having an impact on the ground. For example, our funding to Oxfam has helped to provide tens of thousands of ordinary people in Gaza with essentials. Every day, Oxfam water tankers distribute drinking water to as many as 60,000 people in the worst affected parts of north Gaza, and since the end of January, Oxfam has provided hygiene kits to 2,100 families.

Our funding has helped Handicap International to open three new support centres in Gaza where people with injuries and disabilities can go for treatment. Handicap International has also provided four hospitals with 71 pieces of equipment—including wheelchairs, crutches and walking frames—to help those with injuries. The contribution of the Department for International Development to the Mines Advisory Group has helped it to clear unexploded ordnance from all United Nations Relief and Works Agency schools, allowing 220,000 children to return to school.

Those are only a few examples of the difference that UK aid is making to the lives of ordinary Gazans. None the less, there are still many more people to reach. If humanitarian workers do not have adequate relief items, safety and access to those whom they need to reach, they cannot do their job. The issue of access was raised in the previous debate and by my hon. Friend in this debate. I remind the House that it was a problem long before the current crisis. It is imperative that action be taken. The borders must be opened. We need to find a solution urgently so that Palestinians living in Gaza can get the help that they need in a way that also addresses Israel's security concerns.

Access for people and humanitarian supplies must be increased to meet the genuine humanitarian needs of the people in Gaza. The UN has said that only 20 to 25 types of relief item are getting into Gaza, out of 4,000 different items needed. Items turned away include school textbooks, dates, plastic bags used by the UN to distribute food aid and even equipment used to store medical vaccines. In addition, the UN estimates that 450,000 litres of fuel are needed daily to operate the Gaza power plant at full capacity. The Israeli Supreme Court has ruled the daily humanitarian minimum to be 314,000 litres, yet since the ceasefire, only about 260,000 litres have entered Gaza, resulting in continuing scheduled and unscheduled power cuts.

Access for humanitarian personnel is also problematic, as my hon. Friend has highlighted in his comments and on his blog, although there is some anecdotal evidence that the situation is improving. However, since the cessation of hostilities, the Israeli authorities have allowed only limited numbers of international aid workers into Gaza. Of 178 requests to enter Gaza submitted by international NGO staff members in January, only 18 staff members were allowed in by the end of the month.

We are continuing to press at the highest levels for increased access. During my visit to the region last month, I spoke with Isaac Herzog, the Israeli Minister responsible for co-ordinating the relief effort, and pressed

for increased access. That led to a public Israeli commitment to facilitate access for 500 aid trucks a day in the near future. The Foreign Secretary has also discussed access with Israeli Foreign Minister Livni, and our Prime Minister has written to the Israeli Prime Minister, Ehud Olmert, on the same matter. We are in regular discussions with our partners in the US and UN on how access can be improved. It will be vital to see progress on the issue before the international conference on Gaza reconstruction takes place next week in Sharm el-Sheikh.

To address my hon. Friend's point about tunnels and access, we have made it clear to Israel that closing the tunnels without opening the crossings will do nothing to help Israel's security concerns about arms smuggling through the tunnel regions. We have also made it clear that the opening of the Karni crossing point, with its conveyor facility, is vital to allowing wheat flour across in sufficient volumes to meet the staple food requirements of the people in Gaza.

How we take forward the reconstruction of Gaza is critical. Fully rebuilding Gaza will take time, money and commitment from everyone involved. It will also take courage on the part of the Israeli and Palestinian leaderships. The first stage of the process is early recovery, which includes rehabilitating water supplies and sewage facilities, repairing and reopening schools, and moving people from tents to permanent housing. The Palestinian Authority estimates that that will cost $1 billion.

The international conference that I mentioned will be a first and welcome chance for donors to discuss the opportunities and challenges for an early recovery programme and, importantly, to make their pledges. In the longer term, full reconstruction will be needed. The World Bank, the European Community and the UN will take the lead on a full needs assessment in Gaza, working closely with the Palestinian Authority. Donors will need to provide funding. We would, of course, welcome an Israeli contribution to reconstruction in Gaza.

On the breach of international humanitarian law, I remind my hon. Friend that the UN Human Rights Council, in its resolution of 12 January, decided to send an international fact-finding mission to investigate violations of human rights law and international humanitarian law by Israel in Gaza. We will consider the results carefully—

5 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).

Westminster Hall

Thursday 26 February 2009

[SIR JOHN BUTTERFILL *in the Chair*]

Carers

[Relevant documents: Fourth Report from the Work and Pensions Committee, Session 2007-08, on Valuing and Supporting Carers, HC 485, and the Government's response, HC 105, Session 2008-09.]

Motion made, and Question proposed, That the sitting be now adjourned.—*(Jonathan Shaw.)*

2.30pm

Mr. Terry Rooney (Bradford, North) (Lab): This is the first time that I have had the pleasure of being in this forum when you have been in the Chair, Sir John. I have seen you in the Chair in other forums, and it is a pleasure to serve under you today. This is also the first opportunity that I have had officially to congratulate my hon. Friend the Minister on his new position as the Minister with responsibility for disabled people, and to welcome him to that. I know about, and endorse, his commitment to the subject, and I shall say more about that later.

I thank all those organisations and individuals who were summoned to provide evidence to the inquiry. Select Committees often forget the enormous burden that we place on people, particularly the voluntary sector, when requiring them to put together evidence to submit to us, and it is right to put that on the record. I particularly thank the Princess Royal Trust for Carers. We were fortunate to visit its carers' centre in Harrogate, which was an incredibly moving experience, especially our session with carers, one of whom was 17. We must remember that the number of child carers in this country is significant, and that involves considerable issues.

I broadly thank the Government for their response to our report, but my hon. Friend will not be surprised that I take issue with some of it. I understand that today the National Audit Office published a report on carers, but I have not been able to obtain a copy—I do not know whether he is hiding them. Therefore, I am not sure what it says, but I am sure that it is constructive.

I want to speak about three things: carer's allowance, information and advice, and employment and training for carers. My colleagues will also want to contribute to the debate. There are 4.5 million carers in this country, and it is estimated that they save the economy about £87 billion, so they are significant. As life expectancy increases, that number will increase significantly. It is hoped that medical advances, such as stem cell research, will ultimately provide cures for diseases such as Parkinson's and Alzheimer's, but as people live into their 80s and 90s, other issues will come to the fore—for example, osteoporosis. Our unsung army of carers will increase. That and social care are the two biggest issues facing the Government for years to come.

In round terms, just under 500,000 people receive carer's allowance, and about 400,000 others are entitled to it but do not receive it, principally because of overlapping benefit rules. We all understand that, and the Select Committee did not recommend a change to those rules, but what must change is the three-page letter that goes to pensioners telling them that they are entitled to the allowance.

The Parliamentary Under-Secretary of State for Work and Pensions (Jonathan Shaw): I am grateful to my hon. Friend for raising that, and anticipated that he would. We have drafted a new letter and will ensure that all Select Committee members receive it before it is piloted. I shall be grateful for their comments, including on whether they think it is fit for purpose. I have read the evidence and the current letter is not fit for purpose because it does not do its job. I shall value the Committee's feedback.

Mr. Rooney: Never let it be said that the power of Select Committees cannot move mountains, even if it is only a change in the drafting of a letter. I welcome my hon. Friend's promise, because the letter has caused great and unnecessary consternation.

The Government said in their response that carer's allowance is not income replacement or a wage for caring. They went on to say that they are not willing at the moment to consider carer's allowance outside the general review of benefits. If it is not a benefit and not a wage, why not review it separately? The promise of a review in 2011, perhaps later, with final implementation around 2018, and linking it to the chimera of a single working age benefit, which we are a million miles from getting, is extremely disappointing, to put it mildly.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): My hon. Friend is making an excellent point. The Government have said that they do not want piecemeal reform, but aspects of the system within which the carer's allowance works could be altered with no impact on the debate about a future single working age benefit. For example, those on the minimum wage receive an increase in that minimum wage in the autumn, and carer's allowance is uprated in April-May, so workers who receive carer's allowance sometimes find that they must stop work or reduce their hours or they will lose their entitlement to the allowance. That could be examined separately.

Mr. Rooney: My hon. Friend makes an extremely intelligent point. There needs to be some alignment of the change in carer's allowance with the change in the minimum wage, because 50p or 60p can have an unbelievably extraordinary impact on people. I think we all agree, whatever our other positions, that carers live their lives under pressure and can do without needless administrative hurdles.

Some of the announcements in December were piecemeal reforms. The Government made the bold announcement that income support will be abolished—I pay tribute to the Minister's absolute commitment that carers will not be moved on to jobseeker's allowance, and I know the effort that he put into that—but that was immediately qualified with the statement that income support will not be abolished while claimants are receiving it. That could take 25 years.

The partial move of some lone parents on to jobseeker's allowance and parking them in the progression to work group is sensible, but it is a piecemeal reform. Carers are

[Mr. Rooney]

a clearly identifiable group, and the Government are saying that they will not be in the benefits system because carer's allowance is not recognised as a benefit or a wage. Therefore, why can that group not be dealt with specifically? The problem has been around since 1948 and the establishment of the welfare state, but the original invalid care allowance was introduced only 15 or 20 years ago. Progress has been far too slow for the army of people who deserve better and to have attention focused on them.

The concept of a single working age benefit is linked to simplification, for which people have been crying out for 30 or 40 years. That is an ideal, but as soon as implementation is considered, all sorts of obstacles and hurdles arise. I do not see there being a single working age benefit in my lifetime, and I hope to live to be much older than I am now. We need to consider that.

Last June, the Government published their 10-year vision for carers, "Carers at the heart of 21st-century families and communities", which states that

"carers will be supported so that they are not forced into financial hardship by their caring role".

That is an extremely bold commitment. If we implement it tomorrow, we will make 4.5 million people very happy. As yet, however, there is no measure of how, when, where or whether that will be done.

Another important issue raised in our report involves two particular groups of people. One is carers who care for more than one severely disabled person and who still receive only one carer's allowance. The second is people who are caring for two or more individuals who do not qualify for middle or higher rate disability living allowance care, although that is an equivalent care burden to having one person to care for who is getting the middle or higher rate. The carer's allowance system does not recognise a situation in which two or more disabled people do not qualify for that rate.

We have a moral duty—an obligation—to the 4.5 million carers to set out a timetable for reform of carer's allowance and for milestones along the way against which whichever Government we have can be measured. This group of people has been far too patient for far too long.

Mr. Oliver Heald (North-East Hertfordshire) (Con): I am listening carefully to the Chairman of the Select Committee's excellent speech. Does he agree that in some ways we are going backwards? Our report made the point that if we uprate the benefit in October and the threshold for earnings in the spring, we are pushing people off benefit for six months in a very disruptive way, but the Government's response seems to have been, "Oh well, we'll just freeze the threshold." This year, the threshold has been frozen at £95 and there has been no increase at all. Is that helpful?

Mr. Rooney: The straight answer is no, it is not. I want to come on to that point, but I also want to talk about employment and training. If the hon. Gentleman will forgive me, I will come back to it.

On information and advice, one of the startling things that came out in our inquiry was the relative paucity of advice for carers. Most carers take a long time—sometimes years—to recognise themselves as carers. Sadly, just a couple of weeks before Christmas, my wife broke her leg, and for about six weeks I was a carer. I was not a very good one and I was not a full-time one—I am glad she is not here—but it did get me thinking about all the different situations that I have had in my own life when I have been a carer. People think that that is their duty, and let us not forget that it is largely women who do this work. People take on the role without any knowledge, advice or information coming to them about what is available for carers, however meagre that might be.

The Committee visited the carers' centre in Harrogate run by the Princess Royal Trust for Carers. It has a number of centres around the country; I forget exactly how many. It may not be the only way to do it, but that centre was an outstanding example of a one-stop shop where people could obtain all the information that they could possibly need on all aspects of caring and what was available. How many carers have no idea about their entitlement to respite care? Such care is a lifeline for carers. It enables them to take a weekend off without feeling guilty. Lots of money is being put into respite care and lots of social services departments have got pots of money, as have some primary care trusts, but it is not advertised and carers are left unaware of it. We need to do much better on the provision of information and advice. We recommended a network of centres, perhaps on the model employed by the Princess Royal Trust for Carers, although we are not too fussy; if a different model works, let us use that.

"Putting People First", which I think is a Department for Communities and Local Government publication, committed local and national Government to making significant progress by 2011 to ensure that all areas have both carer support and a

"universal information, advice and advocacy service for people needing services...irrespective of their eligibility for public funding."

That is fine in so far as it goes, but there is no penalty on local government and local health services if they do not provide it. I know that there is a great argument about centralisation, devolution and whether things are ring-fenced or not, but I do not know any arm of local or central Government that disagrees that those services need to be provided, so why not have a mechanism to ensure that that is happening?

A separate issue is that social care and health are devolved in Scotland, but there is a UK benefits system. There is a tension in that respect which no one seems to have resolved. There are issues about devolved education as well, in relation to young carers. The system in Scotland is different from that in England, but a universal benefits system is laid on top of that. I know that, generally, there are cordial relations between central Government and the devolved Administrations, but at the end of the day the devolved Administrations can say, "Go away. We're not doing it." There is universal carer's allowance, with all the conditions attached to it, but in different parts of the UK the support networks behind it have different rules and regulations. That was not properly addressed in the Government response to our report. I hope that we will hear more about it today.

My final point concerns employment and training issues for carers. On average, carers act as carers for eight years. Most carers are in the 35 to 55 age group—what one might call the prime earning years. Either they come out of the job market entirely or they work part time but have to forgo promotion and advancement and

turn down training opportunities. That is a major impediment to their earning power at the time, but it also translates to poverty in retirement, because at the peak earning time when normally people would start putting extra money into pensions and so on, their employment ability is reduced and their capacity for income is reduced

Let us not forget that 250,000 carers are retired. We heard one case of a widow of 71 who was a carer for her mother, who was 90-odd, and 51-year-old twin sons, who were severely disabled. She receives the carer's credit attached to her pension credit—£27 a week. Had she been a bit younger, she would have received only the single £50 a week carer's allowance. It will be increasingly common for people in retirement to be caring for adult children as well as parents. However, we do not seem to have recognised that, in the circumstances that I have described, carers' incomes are significantly reduced and their employment opportunities are reduced. Some of the rules and regulations that relate to education and training were designed for a different era and a different cohort of claimants, and they positively work against carers.

Professor Paul Gregg got it absolutely right in his review, which he delivered just before Christmas. He came up with the concept of a progression to work group. That refers to people who at some future point will want to work but currently are not required to look for work or be subject to the normal JSA conditions. A channel of communication is needed so that we can say to carers, "You can opt in if you want to. These are the options and opportunities that are available, but it is not mandatory." We need a line of communication if we are to bridge that gap. The gap is an average of eight years, with people not being in employment and missing training and other opportunities as a result. We need to find other ways of telling them about what is available.

We also need to look seriously at the restrictions of the benefit system on those in training. I am not talking about the universal abolition of the 16-hour rule or the 21-hour rule. It is a clearly identified group for which we can write a special prescription. We do it often enough, but we need to use a bit more imagination. As I said, the exclusion of those on income support from claiming jobseeker's allowance is a distinct group.

The carer's time has come. It is not good enough to keep the debate going. Carers have been consulted to death. We do not need any more consultation. The message is clear; the prescription is clear. The only reason why there has not been more progress is that it is a silent group. There is no trade union marching for the carers. There is no army of fancy lawyers—I apologise to hon. Members for mentioning this—seeking fee income from representing them. Carers sit and suffer in silence. Regrettably, groups that sit and suffer in silence tend to be ignored by the Government.

I think back a couple of years and 100,000 people losing their pensions when their companies went into administration. It took a while, but in the end the Government came up with a package worth £8 billion. That was to satisfy 100,000 people. Last year, the ombudsman's report into Equitable Life was finally published. The Government responded, and at some point a package will be put together to compensate those affected. Why? It was because, over the years, they made a lot of noise.

Let every Member of the House—all 651 of us—act as champions and be the voice for the carers. It has gone on for long enough. It is time that they were rewarded and recognised for their immense contribution. Last August, we were all thrilled by the British success at the Olympics. We had 19 gold medallists. They were praised as heroes and were recognised in the New Year's honours list. In the carers, we have 4.5 million heroes. They need to be recognised today.

2.52 pm

John Howell (Henley) (Con): May I welcome you to the Chair, Sir John, and express my pleasure in serving under you.

It is a privilege to follow the Chairman of the Select Committee, the hon. Member for Bradford, North (Mr. Rooney). May I say, from the Opposition Benches, what a pleasure it has been for us to serve under his chairmanship as members of the Committee?

This was the first inquiry with which I have become involved since joining the House. I did not become a Member until near the tail end of the Committee's work. That was not entirely my fault, as the by-election did not take place until the end of the evidence-taking session. None the less, I am pleased to have been involved, as it is a subject of great importance.

The report outlines very well the problems faced by carers. I draw the attention of hon. Members to paragraph 35, which gives a good summary of the human cost of caring. Exactly what carers have to go through was best brought out in one of the first e-mails that I received on the subject, which came from a carer in my constituency. The carer's story was also told in the pages of my local paper, the *Henley Standard*. It is the story of a garden designer who, following the death of his mother-in-law, has had to care for his wife, who suffers from bipolar disorder. He has had to do so for some four years.

My constituent spoke of the effect on himself and his own health, and how it had led to depression and problems with his blood pressure. He said that he could no longer work as a garden designer, as his wife needed constant care. He said,

> "I used to try to work and look after her at the same time but it was impossible. Because of her illness, her mood swings are very unpredictable."

He also said that it was impossible to make ends meet, and spoke of the lack of respite care. Understandably, he took only small comfort from knowing that his situation was common to many carers, and that some were worse off than him.

In the face of such a story, it was right for the Committee to have made carers the centre of its inquiry and of this report. If I had become a member of the Committee earlier, I would have wanted to make one slight addition to the report. It does not quite bring out the particular impact on carers who live in rural constituencies such as mine. In these locations the isolation is greater, the transport links are poorer, and caring usually involves additional costs.

This may have been my first experience of a Select Committee inquiry, but it was also my first experience of a Government response. What a mixed bag it is. However, it is worth recording that we heard yesterday, in debates on Report and Third Reading of the Saving

[John Howell]

Gateway Accounts Bill, that the Government intend to make those in receipt of carer's allowance eligible to open a saving gateway account—a small gesture of help to those carers who can meet the savings requirements, but a welcome one.

One of the key things required—the report brings this out extremely well—is a simplification of the benefits system as a whole, but particularly in relation to carers. The system is too complex, and it does not necessarily ensure that the money goes to the right place. Perhaps the Minister will say more about the plans to simplify benefits and the application process, and to provide a timetable for such simplification. In doing so, I hope that he will take the opportunity to clarify how services for carers and those for whom they care will be joined up more at national and local level.

The Minister and I are both members of the Public Bill Committee that is considering the Welfare Reform Bill, which has heard about the unintended consequences of delegating personal budgets. A gentleman decided to give his carer respite by buying him tickets to a football match—an action that was pilloried in the national press as a waste of money. There was much speculation as to whether people thought that the money was wasted because of the team that the carer supported or simply thought that it was not value for money. However, we all agreed that it was a perfect example of how money should be spent, and that it was a good way of joining up services, as it can give the sort of respite that carers need.

There is huge scope for taking the pressure off carers. I echo the points made by the hon. Member for Bradford, North on the question of information. I very much support those actions that can be taken now to increase access to information and advice for carers. It is not acceptable that the take-up of benefit is so bad that, according to Carers UK, £740 million goes unclaimed each year.

One recommendation that I particularly endorse is that the right to request flexible working should be extended to carers to enable them to manage career and caring. I do not know whether that would have helped my constituent, but it would take the pressure off many carers—pressure that can lead to health problems for them and feelings of guilt for those being cared for. The wife of my constituent summed it up when she said:

"I feel awful that my illness is the reason my husband cannot work."

That is a telling point, showing that caring affects not only the carer but the person being cared for.

I note that Jobcentre Plus is examining the most effective ways of supporting carers to go into training. We need to know when the examination will stop and proposals will be made. That is particularly relevant today, as the National Audit Office has published its report, "Supporting Carers to Care". It makes three relevant points. The first is that Jobcentre Plus services should not be regarded as being well suited to carers' needs. That seems to be a comment made by Jobcentre Plus staff rather than those outside. The second point is that not all interested carers make use of Jobcentre Plus, and the third is that there are gaps in the Jobcentre Plus management information on support for carers. Those are some key, relevant points.

John Penrose (Weston-super-Mare) (Con): My hon. Friend is making a series of excellent points. Does he share my great disappointment in the Government's reaction to the Committee's proposal to give carers the right to request flexible working as soon as they start a job, instead of having to wait for 26 weeks? In their response, the Government said that they were opposed to introducing that right from day one, because the 26-week period is required to build a relationship of trust between employer and employee. Does he share my view that, after 26 weeks, if the carer is under pressure, and has had to leave work early, there will be no relationship of trust? In fact, the chances are that the carer will have found it impossible to last 26 weeks and, therefore, to get to the point at which they are eligible to request flexible working.

John Howell: My hon. Friend makes an excellent point. I agree that, given the sort of pressures that carers are under, which have been illustrated already, there is unlikely to be a relationship of trust after 26 weeks. In fact, there is likely to be a relationship of suspicion and uncertainty. I am disappointed, therefore, that flexible working will not be a right earlier.

The Coleman judgment set some serious challenges for the Government concerning the extent to which protection against discrimination will extend to carers. I would welcome clarification from the Minister on what action the Government will propose, and when, in order to deal with that problem.

3.1 pm

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): It is a great pleasure to serve under your chairmanship, Sir John. As a member of the Select Committee, I should say that although the report might look like a mighty tome, it is very readable, and I recommend that any Member who has not read it do so, because it contains some useful information.

The evidence that we heard from many organisations and individuals proved hugely useful to us, but the report has also been useful to them. The Chairman of the Select Committee, in his opening speech, quite rightly set us a challenge. We here are the voice of carers, and the evidence in the report gives voice to their concerns. It is our responsibility to champion their needs, and the report provides a huge wealth of evidence to help the Government to respond to the challenge that we have set.

We started the report by defining who carers are, because much ignorance still surrounds that point. The majority of carers are women, but, as the statistics in the report show, over the age of 70 the majority are men. The men in this Chamber, therefore, should be looking to the future too. As they grow older, they, too, could become carers—I heard the Chairman's remarks about his caring responsibilities.

Our report also makes the point that many do not see themselves as carers with a capital "C"—they are family, friends and neighbours, and are doing what they think is right, because of which they do not seek advice about available help. We need to remind them that no matter what their role or their hours of caring, they should find out what additional support is available. Our report itemises that support.

The report raises another important issue. Too few people understand the importance of the role of the Department for Work and Pensions with regard to carers. If asked, many members of the public and carers would talk about the need for support from health and social services, because they provide the help—either by coming directly into their homes or through respite care in hospitals, day centres and residential care—but for the majority of carers, if they have any dealings with a Department, it is likely to be the DWP, whether through benefits and pensions, support in obtaining employment, support when they are in work or through the carer's allowance. The DWP plays a key role.

On page 19 in paragraph 37, the report outlines the strategic approach that the DWP should take to support carers. Some of our recommendations are fairly obvious, such as supporting adults and children financially—too many children take on caring responsibilities without telling anyone, because they do not want their school friends and other family members and friends to know. They, too, need support. However, one of the key recommendations concerning the role of the DWP is for a joined-up, cross-governmental approach.

The DWP needs to work with the Department of Health. I was pleased, therefore, that we received evidence not only from many organisations supporting or representing carers, but from the then disabilities Minister, my right hon. Friend the Member for Stirling (Mrs. McGuire), and the then social services Minister, my hon. Friend the Member for Bury, South (Mr. Lewis). They understood the importance of working together and were very positive about the role that they should have across Departments. They were speaking at a time when the Government had only recently announced their cross-departmental carers strategy. Interestingly, that strategy did not include benefits, which is why the report is so key—it fills a gap in the strategy. Carers wanted to know how much money and what support they could get from the DWP, and we made recommendations concerning that.

I would like to pick up on some of the comments that our Chairman made about the importance of information, advice and guidance. We received evidence of how carers do not know who to go to—sometimes they go to point A without being told what point B can offer them. The report discusses the importance of a joined-up approach. We welcome the Government's commitment to providing

"every carer with the opportunity to access comprehensive information when they need to".

We asked when and how, and also commented on the information and services helpline for carers that the Department of Health has set up. However, there is still a gap. Saga's submission recommended that the Government consider an equivalent to NHS Direct—a "Carers Direct".

Our report mentions the importance of carers' centres as a focus for care and advice. As our Chairman said, we have recommended that carers' centres be put on a much firmer footing. The Government response said that that is the responsibility of local authorities and the agencies with which they work. Interestingly, the Local Government Association agrees with the Government's response to our comments, which surprises me, because one problem for local authorities is that they are not in a position to offer ongoing funding to carers' centres. That support tends to be piecemeal and for one, two or three years at a time or for specific initiatives.

Furthermore, there are problems for carers' centres that cover more than one local authority. The centre in Harrogate, for example, covers three local authorities and the same number of primary care trusts. It is extremely difficult to organise and bid for finance from several different bodies.

Mr. Rooney: Just to update my hon. Friend and other members of the Committee, I should say that since we visited the centre in Harrogate at the end of December, it has lost a third of its funding—that is how precarious the situation is.

Mrs. Humble: My Chairman makes an excellent point. When we visited Harrogate, we saw how enthusiastic the workers there were. Sadly, their enthusiasm was diminished by the amount of paperwork that they had to do; they were constantly putting in applications for funding to a variety of organisations instead of being out there helping the carers they were meant to help.

We really need to look at a national strategy to provide some underpinning, basic funding. Yes, carers' centres can apply to different organisations and do fundraising, but if they do not know that there is ongoing, underpinning funding to enable them to continue their work, they will spend far too much time fundraising and too little doing the good work that they should be doing to support carers.

On advice and guidance, the Committee noticed that the Department of Health White Paper "Our health, our care, our say" talked about introducing an information prescription. That is useful, but, again, it illustrates the fact that different Departments are coming up with information themselves instead of looking at how all this information, advice and guidance can be collated to give a single focus to people who do not know where to go for information. I hope that the Minister will look carefully at our recommendations on information, advice and guidance, and at ways of simplifying the procedures so that carers can know where to go and can get the advice that they want from across Departments and local authority services.

In my constituency, we have a carers' centre, which is part of the Princess Royal Trust network for carers. It serves Blackpool, as the unitary authority, and one primary care trust. That makes life a lot easier for the centre, but, even so, I meet people who still do not know that we have our own carers' centre.

The Committee also looked carefully at the design of carers' benefits, but, sadly, we found them wanting. Carers and those they care for can access an array of benefits, including disability living allowance, incapacity benefit, carer's allowance, housing benefit and attendance allowance. Despite that, we received a lot of evidence showing that many carers find it difficult to cope, given the benefit to which they are entitled.

The Government did not accept that point in their response, but they accepted that we need to look at how carers' benefits are framed. They said that the

"system of support for carers should be able to differentiate between the support that a carer needs because they have no income, and the support that a carer needs because of other costs relating to the caring responsibilities."

[Mrs. Humble]

The Committee's key recommendation on carer's allowance was that we should differentiate between carer support allowance, which we said should be paid at the same rate as jobseeker's allowance, and the caring costs payment for carers who have special and intensive caring responsibilities.

I welcome many aspects of the Government's response, but saying that we should not address the reform of carer's allowance piecemeal does not properly recognise how carer's allowance stands outside the array of other benefits. The Government could and should look at carer's allowance before they come up with a comprehensive strategy for a single working-age benefit. As our Chairman said, we could be waiting for years for a single working-age benefit, and carers cannot afford to wait years. Some things can be done now.

Harry Cohen (Leyton and Wanstead) (Lab): My hon. Friend is making some very good points, and the distinction that she has brought out is important, as is the detail, but may I take her back to the part of the Government's response, which she mentioned? Before acknowledging that there needed to be a distinction between carers' different needs and circumstances, it said that the DWP did not accept that the general support provided to help with caring was inadequate. Basically, therefore, the Government's position is that support for carers is not inadequate. Is that not contrary to all sorts of information that we received when we did our report and that has come up in this debate?

Does my hon. Friend agree that the general support for carers is inadequate and that the Government have a blind spot in that regard?

Mrs. Humble: My Select Committee colleague makes a good point. We had a wealth of evidence about financial pressures—I use the words "wealth" and "financial pressures" in the same sentence, but they would not be part of the same sentence for carers; indeed, carers told us that they struggled.

One problem for the Committee and, indeed, the Government is that Ministers have not really made up their mind what carer's allowance is supposed to be. If they accepted our recommendation and linked carer's allowance to jobseeker's allowance—in the carer support allowance that we recommend—that would bring in various of the rules and restrictions that apply to jobseeker's allowance. The Government do not see carer's allowance as an income-replacement benefit, so there are all the rules about the number of hours that individuals need to care for someone and the amount that they can get from work. There is a contradiction there, because if someone is caring for 35 hours a week, there are few hours left for them to go out and work.

We have to go back to first principles. What is carer's allowance for? Is it an income-replacement benefit for somebody who spends most of their time at home looking after one or more individuals? If so, it should be increased and our recommendation should be accepted. If our recommendation was accepted, it would have consequences for earning rules and all the other complexities attached to the existing carer's allowance. It would also affect the 21-hour rule for education, which the Committee mentioned. Do the Government want the imposition of that rule to disadvantage young carers in particular, who want to go into education and training and then into the workplace? The rule is there because of other elements in the benefits system.

We need to be clear why we are paying carers the money, but we are not, so we are not moving ahead. Again, the Government could look at the issue separately from their overall review of the benefits system; it could be a discrete part of the DWP's examination of benefits simplification.

Mr. Heald: I follow the hon. Lady's logic. Does she agree that the Government are teasing carers? On the one hand they say, "We will look at your position in the context of a single working-age benefit and you may get an income replacement benefit from us." On the other, they say, "Oh no, we do not think that an income replacement benefit is right for carers." Are the Government not trailing their coat for sympathy from the carers without actually doing anything?

Mrs. Humble: That point is recognition of how difficult the problems are. When the Government announced last year's carers' strategy, which was a good document that included extra money for carers, they did not mention benefits because that is a complex issue. We have been muddling along with the same benefits system for a long time. Do the Government want to do something radical? Do carers want us to do something radical? Carers are happy with the existing system so there is a challenge for us all, including carers and their representatives, to look at how the system can be improved.

As a distinguished member of the Select Committee, the hon. Member for North-East Hertfordshire (Mr. Heald) is aware that we had a lot of evidence to support our recommendation of a two-tier benefit. We certainly had a lot of evidence to support increasing the benefit because of the financial pressures on carers.

I will say a few words about carers who work. When we talk about carers, the assumption is that most carers stay at home and look after the cared-for person. In fact, many carers are in work. The Union of Shop, Distributive and Allied Workers provided some good evidence on the experiences of its members. The £95 a week limit causes problems because Jobcentre Plus regularly contacts the union's members whose wages are approaching £95 to ensure that they have not reached that level. Its members have to submit proof of their earnings. If their wages increase, perhaps after being on the minimum wage, they may lose their carer's allowance. There are different earnings rules for carers claiming carer's allowance and those claiming other means-tested benefits, which causes confusion. There are also obstacles to carers engaging in voluntary work.

The hon. Member for Henley (John Howell) mentioned the responsiveness of Jobcentre Plus staff. Those staff have a difficult job. We expect them to know about and be sympathetic to everything about every individual who goes to see them. It is not always easy to recognise that somebody is a carer, especially if the person does not say, "I am a carer." We know that people do not always say that.

The report mentions the importance of training for Jobcentre Plus staff so that they respond appropriately to the needs of those with current caring responsibilities

and those who want to sign on for employment because their caring responsibilities have finished. Jobcentre Plus staff should be aware that such individuals may have been out of the job market for a long time and not have the skills, education or confidence to enter the world of work. Staff should ask why people have been out of the job market for a long time and whether they have had caring responsibilities so that they can better respond to the needs of those who have been carers but are no longer.

The report commented on the social care system. That area is not the Minister's responsibility, but we included those comments because the social care system cannot be divorced from benefits and work issues. He must work with colleagues in other Departments, especially those with responsibility for health and social care, to produce comprehensive packages. Good things are happening in the realm of social care such as the development of individual budgets, direct payments and the personalisation of services for people with disabilities. Carers should be part of that. Where money goes in, the social care sector is changing, as are the services available for people with disabilities and elderly people.

Those changes will impact on the evidence that the Select Committee received on issues such as care vouchers. Some employers give their staff vouchers so that employees who are carers can purchase social care support. That benefits the worker and the employer. Those developments are taking place at the same time as the move in social care away from providing services directly to social care recipients to giving them the money to buy their own care. On the one hand, social care vouchers are suggested; on the other, there is an entirely different mechanism for providing social care.

Mr. Nigel Waterson (Eastbourne) (Con): Does the hon. Lady share my disappointment that the suggestion was not taken up that care vouchers be piloted among those who work at the Department?

Mrs. Humble: I do share that disappointment. There would be value in piloting the scheme to see how it works. Some organisations already run the scheme and want alterations to how it is offered. Pilots would give an opportunity to see how the scheme can marry with the changes that occur in social care as the personalisation agenda is pushed forward.

In the future, vouchers may be unnecessary. However, they may be a short-term response while the personalisation agenda and individualised budgets are pushed further. That area should be explored further in the social services Green Paper that is soon to be issued by the Government. Again, I say to the Minister that the Department must be aware of the changes that are being introduced in social services.

Finally, I am proud to be a member of the Select Committee that produced such an excellent report. We should not just give up now that we have had the Government response. Our message to the Government is that we will not go away, this issue will not go away and carers will not go away. As the Select Committee Chairman said, we are here to give carers a voice.

3.28 pm

Mr. Oliver Heald (North-East Hertfordshire) (Con): We have heard two comprehensive speeches, and I do not intend to repeat the points that have been made. I echo the comment made by the hon. Member for Blackpool, North and Fleetwood (Mrs. Humble) that this is a substantive report and it has been well received. As a member of the Select Committee who went to most of the sessions, if not all, I am proud of it. It is a good report and a tribute to the Committee.

On benefit simplification, as I said the other day in the debate on the uprating statement, we are in a ridiculous situation. There are so many income replacement benefits and they are uprated in so many different ways—in line with the Rossi index, the retail prices index and the consumer prices index. There is a case for looking seriously at a single, straightforward, working-age benefit. That may be simply unaffordable in the current circumstances. However there is a duty on us as a country to look again at this extremely complicated system.

I find the Government's response to our suggestion that the carer's allowance should be overhauled rather odd. It is inconsistent to say on the one hand that the carer's allowance is not a wage for caring and is not intended to provide compensation for the costs of caring, and, on the other, that the White Paper "Raising expectations and increasing support: reforming welfare for the future" confirms the Department's intention to explore whether a single working-age benefit is the correct approach for carers. If the Department feels that there is a case for a single working-age benefit that includes a carer's allowance, then Ministers should say so. It is wrong to say that the carer's allowance should not be an income replacement benefit and then say that they will explore the subject in the context of our review of a single working-age benefit. I may be misunderstanding the Minister's intentions. I know that he cares about this issue, but it seems to me that carers are being given a bit of a tease. They are being told, "We are going to look at this allowance in the context of income replacement", when the Government have no intention of doing that. If I am wrong about that, no doubt the Minister will tell us.

If we consider pensions, once a person gets to retirement age and pension credit, they get their income replacement—their pension income replacement—and an additional payment if they are a carer. What our report suggests is that we should have something that is consistent with that for people of working age—or at least that we should review that. Why is the Minister saying that we should have to put that off and treat it as part of the single working-age benefit review when that is some years away? One wonders whether one can hear the rustling of that longer grass, and whether this is not a question of Ministers kicking the matter into the medium term in the face of quite a lot of public concern about a group that does so much for our society and gets so little for it. I should be grateful to hear the Minister's thoughts on benefit simplification and whether he is serious about looking again at whether it should be an income replacement benefit with an addition.

We were very impressed when we went to the Harrogate centre. Carers know where to go because there is a sign saying "Carers Centre", and that is always a good start. If carers go in there, they find deeply experienced

[Mr. Oliver Heald]

people who know about carers and their benefits and what is on offer. The staff know their stuff and provide good advice. We met carers who had been helped by the centre. In large parts of the country, there is nothing as simple as that. Will the Minister become a strong advocate for a simpler, better system in which carers can get the help that they need?

In Australia, we were very impressed—*[Interruption.]* The Minister laughs, but I was impressed by the respite that was on offer. In Australia, there is a clear recognition that if someone is a carer and they want to work, they may need respite. Carers can reach a point at which they cannot go on. In Australia, they can ring up and get immediate respite help. Moreover, some schemes exist that enable people to take a break. They can go with the person for whom they care, or on their own to recharge their batteries. I thought that that was excellent. I should be grateful to hear something from the Government about respite. Is it on the agenda? It was not mentioned in the strategy document, but it is very important to somebody who is caring.

Harry Cohen: May I say something before the hon. Gentleman leaves this issue of a network of carer centres up and down the country, which is something that I strongly support? The Government said that while they gave grants to carers' organisations, including those that ran carers' centres, it was for councils and their partners to ensure that there was appropriate local support. Is that not kicking the prospect of achieving a full network into the long grass? What about those local authorities that do not provide such a service? A lot of local authorities complain that they have not had a grant from the Government to do so and that such centres are a low priority for them. That is why we will not get a national network. Does the hon. Gentleman agree that the Government must get their hands dirty to ensure that there is one?

Mr. Heald: I agree with how our Chairman, the hon. Member for Bradford, North (Mr. Rooney), put it. There are lots of different pockets of money, all of which are no doubt being used to help carers, but there is not a strong enough network and a clear enough brand to help carers in the way that they need. The joy of the Harrogate centre is that it is just there, bold as brass. A sign says "Carers Centre" so we knew where to go and that was that. There is a lot to be said for something that is more solid in the way of branding and for strengthening of the network. I am not sure whether that would require extra budget. It may be a question of pulling together the money, getting the branding right and making a simpler statement and a stronger network.

I welcome the national helpline and the website, but feel that we should consider improving arrangements for employment and study. I notice that the Department for Innovation, Universities and Skills is setting up an adult advancement and careers service in the autumn. Hopefully, that will have some focus on carers. However, how does trying to encourage carers to take work and support them in work fit in with the 21-hour rule that says that someone can train or study only for a limited period? If the Government are so keen on skills—I certainly am and we know about the Freud report—what is the sense of continuing with such a limiting rule? Why have the Government frozen the amount that a person can earn while receiving carer's allowance? We suggested that the system should be simplified so that the uprating and the threshold go up at the same time. The Government's response was to freeze the threshold and give no help at all. I support what has already been said about this report, and hope that the Minister will answer those questions.

3.37 pm

Miss Anne Begg (Aberdeen, South) (Lab): I should like to extend my thanks to the members of the Work and Pensions Committee for producing a thoughtful and good report. Like the hon. Member for Blackpool, North and Fleetwood (Mrs. Humble), I think that this is a good piece of work, and I am very proud to be part of the Committee that has produced it.

Our Chairman has said that carers are the silent group, the group that nobody listens to. All of us feel that we have played a small part in giving voice to carers. They are people who work seven days a week, 24 hours a day caring for a relative, friend or next door neighbour. I wonder why such people are so silent and why we do not hear their voices very often. I think it is because a lot of our attention is concentrated on the recipients of the care. The Chairman said that he was a carer for a short time over Christmas when his wife broke her leg. I bet she got lots of cards saying, "Get well soon" and, "I hope you will soon be up and about". I am sure that she got the odd bunch of flowers—her husband is shaking his head—visitors, and lots of tea and sympathy because she had broken her leg. I also bet that the Chairman, her husband, did not get any of those things. I am fairly sure that he did not get a card saying, "Good luck on your role as a carer" or, "I hope things work out well for you." I am also fairly sure that no one knocked on the door and said to him, "You go and have a break, we'll look after your wife for you"—I know that they would not tell him to go down to the pub, because he is teetotal. The tea and sympathy and concern are generally for the person who needs care.

I speak from personal experience. I have often been the recipient of care, mostly when I was younger, from my parents. I must say that I gave them a pretty hard life. When a person is going through a lot of pain and misery, and is finding life difficult, they take it out on the people who are closest to them—their nearest and dearest. They are the ones who are asked by, say, a child with a disability, "Why can't I be normal?" or "Why can't you take my pain away?" Parents get that kind of pressure, and they are also the carers. They have a double burden. They have the burden of caring and of doing the state's job—often, they do not want the state to be involved. Many people, particularly those who care for older people, do not want their relative to be in a residential or old folks' home; they want to keep them at home. At the same time, particularly if the person who is being cared for can be difficult or has behavioural problems as a result of their disability or illness, or due to mental illness, they often have the burden of being the butt of the anger of the person for whom they are trying to care. However, they do not walk away. They stay, day in day out, year in year out. That is why it is important for Committees such as the Work and Pensions Committee to take their plight seriously, and for the Government to do likewise. Without those carers, the whole care system would collapse.

I think that carers save the Government £87 billion a year. I do not think that any of us are advocating that carers should relinquish their role. They assume their responsibilities, willingly in some cases and reluctantly in others, because they think that they can probably provide far better care than could ever be provided by a state system, no matter how good. Carers are the silent group, as the Chairman of the Committee said.

I am following other speakers, and I am not sure what bits of our report to talk about—a lot has already been covered. However, individual stories often tell us more than anything else. The hon. Member for Henley (John Howell) used his speech to highlight individual cases, and I will do the same. More than anything, individual cases illustrate what difficulties and problems can arise. The biggest single thing that the Government can get right for carers is respite. Perhaps we do not give enough attention to that.

We are lucky in Aberdeen because we have a carers' centre. Last year, when we were producing the report, I was amazed by how many carers I met—I have been meeting a lot of carers in the past week in my constituency, and I will come to why they have been knocking on my door. The Committee met a lot of carers. We visited Harrogate, and I went to my carers' centre to talk to people. They raised the issue of young carers, who are often forgotten. In some cases, people's whole young lives are affected by their caring role. Any aspirations and ability to go into further or higher education, for example, are curtailed because they care for their parents.

We met some children in Harrogate whose homes were dysfunctional because a parent was a drug addict. Those individuals can lead enormously unsettled lives. I remember vividly one of the people who worked at the centre in Harrogate saying that parents who had mental health problems—they might be manic depressives—often caused the most difficulty. She said that a child could adapt remarkably well if their life was dreadful all the time; they simply learned that that was the norm and to cope. However, some mental health illnesses mean that the parent is up and down, and there are huge differences between manic and depressive phases. The children of those parents find life the most difficult. Things can be great if the parent is in a manic phase and there is lots of energy going around, but the children do not know how long the phase will last or when it will end and the whole family will tumble back into depression. That can be difficult to cope with. That is why respite for young carers was talked about when I visited the Aberdeen centre.

As part of national carers week in December last year, my hon. Friend the Member for Aberdeen, North (Mr. Doran) and I ran a carers surgery so that people could come to see us—he did it in the morning and I did it in the afternoon. The enormous range of carers who came in that day was interesting, from the man who had reluctantly allowed his wife, who suffered from Alzheimer's, to go into a care home, to the mother whose daughter was at a special school but reaching the transition period, who felt that there was nowhere to go.

I should explain the situation in Aberdeen as it relates to the latter case. Aberdeen city council has a fairly major problem with its finances. Last year, it had a £50 million deficit. It took the decision that children who were at special schools could no longer stay on in school to age 19, a provision that had existed for some time. If people attended a special school, the school leaving age was effectively 19, and the six months before was used as preparation for transition. The decision was taken, presumably to save money, that those people would have to leave school at 18, like everyone else. It was taken arbitrarily, and with no proper discussion. The mother who came to see me thought her daughter had six months in which to prepare and get ready for adult life and move from children's to adult services, but was told that her place at school was going to be withdrawn, and there was nothing in its place.

She was not alone. Other constituents have come to see me with exactly the same problem. I thought that I was being very successful as an MP, because I seemed to win every case I took up with the local council. It would back down, saying, "They're not going to have to leave school at 18, they can continue." However, I found out only last week that it was not down to my success as an MP; the local council found that people had nowhere to go, and the preparation had not been done, so people had to go back to their school. Imagine the upset that that caused in the family. We are still in that position.

Another constituent, Margaret Hodder, got in touch with me last week. Her daughter is 18, and she has autism and bipolar disorder. The daughter will be leaving school in the summer, but Margaret does not know what will happen to her, because the council is not providing the appropriate support. Part of the problem—this is why I have seen a lot of carers in the last week—is that, due to budget constraints on the council, decisions are being taken that affect the care and respite that parents will get.

The council has two day centres—Rosehill and Burnside—to provide respite for a range of people. However, one of them is to close—I believe I heard two days ago that it is probably Burnside. Some 190 people go to the two day centres, but the council wants to cut it down to 100. It is going to get rid of some people. It said that over-65s did not qualify, so they will not go to the day centre, which is fine. It will get rid of others by reassessing people under new criteria. They will go because they will not be severely disabled enough. However, a large number of people will be left without the day centre.

Today's *Press and Journal*, the paper for north-east Scotland, tells the story of a mother, Aileen Hutchison, whose 31-year-old daughter Susan has cerebral palsy. I must declare an interest; Aileen was in my class at school, so her story is all the more poignant. What she said sums up why we wrote the report.

She went to a meeting to find out what was going to happen. At the moment, her daughter attends the Rosehill day centre five days a week and is thriving. Aileen says in the paper that the council

"admitted that the council's plans are to save money but tried to say that the plans will also improve the service users' lives. When it was pointed out to them that this decision does not only affect the service users but their families too, they didn't even respond."

That goes back to what I said originally. We often think of the service users or the people needing care, but in the impact studies that must be done under the Disability Discrimination Act 2005, we forget to factor in carers' needs as well. The Committee Chairman said that carers were entitled to respite. The carers in Aberdeen do not think that they are entitled to respite; they are losing what respite they had.

[Miss Anne Begg]

I have described the picture for those leaving school and looking for help, but carers and constituents have come to me from the other end. They are elderly parents whose children are perhaps in their 40s. Because people are living longer, people well into their 70s may end up caring for children in their 40s. One mother phoned me last summer, before the Rosehill closure was an issue. Her daughter goes to Rosehill. She had been told, again in an arbitrary way, that her 43-year-old daughter's day care was to be cut by one day. She was in tears on the phone, saying, "How can I manage? I can only manage her over the weekend because five days a week she goes to her day care. What happens when she can only go four days a week?"

Such are the individual stories that illustrate why the Government have to get it right. We must also get it right in services for older people. There is a huge job of work to be done by the Equality and Human Rights Commission. The way we behave towards older people with disabilities, particularly learning disabilities—I hope that this is happening only in Aberdeen—is nothing short of a diminution of their human rights.

Another decision by the council in Aberdeen is to move everyone over 65 into older people's services. The result is that adults with learning disabilities who have turned 65 are now being reassessed. If they are in supported accommodation, they are being told that it is too expensive and that they will have to go to an old folks' home. The only reason they have to move is that they have turned 65 and they have learning disabilities. Their relatives have been knocking on my door in the past week. I was quite horrified. I honestly thought that I had got it wrong. I wrote to the chief executive of the council expecting an immediate rebuttal saying, "No, we're not doing that. Of course we wouldn't dream of doing that." It has not come. Instead, the lead councillor on social work has accused me of scaremongering in the press, saying, "Actually, we're just going to assess them, and then we'll decide from there where they're going to live." Those people are living in a home situation where relatives may be caring for them, and they are being told where they must live. It is appalling. I was horrified, and I have got increasingly angry as the week has gone on since I found that out.

Those things are happening in Aberdeen, where we thought we were getting better. If it is happening now, the situation may be happening elsewhere, in other local authorities that are finding that their money is being cut. It is difficult to get to the bottom of where the money is coming from. Some of it comes from Westminster and some of it from the Department for Work and Pensions in the form of benefits to both the cared-for and the carers, but in other areas it may come from the local council. It is difficult and confusing.

I hope that we can behave better in the 21st-century world. We are a rich country. We should be valuing our disabled people. A measure of how civilised we are is how we treat the most vulnerable, and part of the package of those most vulnerable people is their carers. How we treat the carers in our society should also be a measure of how civilised we are.

3.55 pm

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): It is a pleasure to serve under your chairmanship again, Sir John. I preface my remarks by saying that I feel something of an interloper at this debate, as I did not serve on the Select Committee that wrote the report. None the less, on reading it, I was impressed. I congratulate my hon. Friend the Member for Bradford, North (Mr. Rooney), and all those who participated in the process, on producing the report.

My attention was drawn to one particular conclusion:

> "Protect the interests of young carers, ensuring that in caring for family members they are not disadvantaged in accessing opportunities for education, training and employment".

I turned to the Government response to see whether I could find a specific reply to that conclusion. Reading the range of responses, I could identify some that might be relevant to it, but try as I might, I could not find anything that directly satisfied me that the Government are addressing it as a specific problem.

I felt, therefore, that I would like to make some remarks based on my personal experience in my local authority of the specific problems faced by young carers on top of the better-known problems experienced by carers as a whole. A number of hon. Members referred to carers as a silent group, deprived of effective advocacy. There is a lot of truth in that. Young carers are even more silent and less able to advocate their cause than carers as a whole, for obvious reasons.

Mrs. Humble: I am sure that my hon. Friend is well aware that one reason why young carers are a silent group is that they hide the fact that they are carers. It is not that it does not occur to them that they are carers, as it does not occur to many adults. They often know that they are carers, but they do not want their school friends to know. They are often bullied at school if it is found out that they are carers. They do not want their teachers to know. They do not want anybody to know, and so they hide it. We need to reassure them that they can come forward and be helped.

Mr. Bailey: My hon. Friend makes an extremely important point. I was going to come to the difficulties of identifying young carers. As well as the problem that she mentioned, it is even more frightening that some young carers will not divulge that they are carers for fear that if the nature of their parents' handicaps is revealed, they will be taken into care and removed from their family situation, which to their young minds is a powerful disincentive to revealing how much support they give their families.

My local authority is relatively lucky in having a very able carers' organisation. Most unusually, it has an organisation specific to young carers. Ably led by director Tracey Smith and a team of employees and volunteers, it provides services for young carers. I know that other areas have similar organisations, some of which are dealt with in the overall remit of carers' groups—Harrogate has been mentioned as an example.

The figures quoted in the report are frightening, particularly those acknowledging that in the 2001 census, 165,000 young people were carrying out carers' duties. The report also gives the statistic that 1 per cent. of the population are affected. When researching my own

statistics. I found that an independent organisation has estimated that there are more than 2,000 potential young carers in my local authority area of Sandwell, from a population of 3,000 young people in that educational group. Although 2,000 young people might not be a huge proportion of the total number of carers, if one thinks of that figure as a proportion, it is a significant section. The educational opportunities that are lost to those young people as a result of their caring duties are a considerable handicap to them and could jeopardise their life prospects for many years. Those lost opportunities are also a drag on educational improvement statistics in the local area. There is a pressing moral need to enhance the life prospects of those young people by giving them appropriate support.

Dr. Hywel Francis (Aberavon) (Lab): I apologise for arriving late. I have been speaking in the Chamber about a Welsh Assembly Government legislative competence order on carers. Does my hon. Friend agree that we ought to recognise the excellent work that Crossroads does for carers, particularly at the local level? It works closely with local education authorities to assist young carers and help them through problems such as bullying. May I place on record the thanks of the all-party group for carers to the Select Committee for its tremendous report? At yesterday's all-party group meeting, I was asked to come along today to place that thanks on the record and to say that we look forward to hearing the Minister's response.

Mr. Bailey: I thank my hon. Friend for that intervention, and join him in thanking Crossroads and recognising its work. I also recognise his contribution to promoting the cause of carers.

I note that my local authority is probably better off than many others because it has its own organisation that is dedicated to helping young carers. However, it deals with only 155 such carers, and there are estimated to be 2,000 in Sandwell, so if my area is relatively well off, it is frightening to think what the situation could be in other parts of the country.

I said that I would talk about the difficulties of identifying carers, and my hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble) rightly outlined a number of reasons why young people are unwilling to come forward and acknowledge that they are carers. However, there are mechanisms and organisations that should enable us to identify young carers. It has been suggested to me that GPs are well placed to identify families in which a parent has some disability or health problem and to be able to say, from their knowledge of that family, from where that parent is getting support. In most cases, it will be from the children in the family. I am informed that GPs have an obligation to keep a register of carers, but they do not seem to be obliged to use that register for any other purpose. That is a suitable area for investigation and recommendation on ensuring that the information that GPs hold can be passed on to an appropriate body that would enable young carers to get support.

Similarly, teachers will often notice that young people are not staying on for after-school activities, are not doing homework, or are showing signs of sleeplessness or other symptoms of a lifestyle that is distracting them from basic educational involvement. Sandwell Young Carers, in my area, gives training sessions with schools, but that is not obligatory, and I wonder how many other areas have similar training sessions. That could also be considered as a way of assisting with identification.

My hon. Friend the Member for Aberdeen, South (Miss Begg) mentioned the needs of young carers. What is coming back to me is that carers need recognition of their caring role, which gives them a certain status and sense of responsibility that should be acknowledged by society. Rather than being some sort of stigma, it is a mark of credit.

My hon. Friend also mentioned respite care, which is essential to young people who have to deal not only with the pressures of full-time education, but with the very difficult pressure of what is often a problematic home situation. Those young people are also often deprived of peer group support and the social interaction, perhaps of playing with others, that would be normal for a person of their age. They are socially isolated, but have a higher level of responsibility than one would normally expect a young person of their age to bear. Having respite, being able to go to an organisation where they can meet others in the same situation, and perhaps getting a holiday somewhere, when they would never otherwise have a holiday, is essential to the well-being of those young people.

Education was highlighted in the report. Many young carers lose out either because they cannot attend school as often as they should or because they cannot participate in the full range of activities at school. Some of them find it difficult to get to school because, unlike many young people with parents who take them to schools, they have no transport. That is a significant issue for young people with caring responsibilities. Likewise, they have no grant income to deal with any special needs that they might have.

Those problems are specific to this age group, and, unless they are resolved, they will undermine both the Government's investment in the wider education system and the futures of a significant proportion of our young people today. I asked my local young carers' association which single thing, if anything, would help them to highlight their specific problems within the vast range of problems that carers have, and would help them to promote solutions, and the first thing that was put to me was that young carers need a dedicated national organisation. That is not to criticise the excellent Children's Trust or the Princess Royal Trust for Carers, which do a good job in taking on board young carers' issues. However, a specific range of needs is covered by local government, education departments, the Department of Health and the Department for Work and Pensions, none of which, unfortunately, has ownership of those matters. In those circumstances, it is crucial to have a dedicated organisation looking at Departments and tying policies together that will deal with young peoples' problems.

Although I recognise that not all my remarks might be in the Minister's specific remit, I hope that he will take them away and feed them into the forthcoming Green Paper on health and social care, so that the matter can be seriously considered and measures implemented to promote the interests of this specific group. In doing so, I commend the section in the report on the trip to Australia, which mentions Australian respite and information services. Australia seems to

[Mr. Bailey]

have a much better developed process for identifying and assisting young people with these responsibilities than us. It is important that the Government look at that particular model to see how it could be replicated to deal with the problems we are discussing.

The needs of this particular group have been consistently under-recognised. The provisions to deal with those needs have been, at best, patchy and, at worst, non-existent. Dealing with the problem would provide enormous potential benefits both for the family life and the educational opportunities of the young people concerned. There are also, of course, benefits to the community at large arising from young people having a more fulfilled life and being better able to develop skills and contribute to the community. Although not all of the specific points I have made might be within the Minister's remit, I ask him to take them away and pursue them with other Departments, so that we can at last change the life prospects of what we know is a minimum of 165,000 young people in this country.

4.12 pm

Harry Cohen (Leyton and Wanstead) (Lab): As a member of the Work and Pensions Committee, I am pleased to be associated with this good report, which makes some important recommendations to assist the lives of carers. I pay tribute to all those who have spoken in the debate, including my Committee colleagues. The speeches have been excellent and some very relevant points have been made.

I want to draw attention to only two issues in the report. The first is the recommendation for a national network of carers' centres, which is an idea we saw in Australia and brought back. It would enable there to be a co-ordinated approach to helping carers, including providing information, advice, guidance and signposting to other specific organisations that can help carers—for example, local organisations or those dealing with services, benefits and other sorts of support.

People have said that there are carers' centres here—there is one in Harrogate that we saw—but I do not have one in my constituency. There are many parts of London that do not have a carers' centre, which is also the case for rural areas across the country. The provision of carers' centres needs to be better co-ordinated and formalised because it is an important way to get information about respite, for example.

In "Putting People First: a Shared Vision and Commitment to the Transformation of Adult Social Care", the Government said that by 2011 they will commit local government and national Government to making significant progress towards ensuring that all areas have "carer support" and a

> "universal information, advice and advocacy service for people needing services and their carers irrespective of their eligibility for public funding".

That sounds good, but what does it mean in practice? I have written in the margin of my notes that social services would say that they are providing carer support. Alternatively, it might be the citizens advice bureau down the road or in the next borough. Frankly, that is not a national network of carer support. We know from history that the advice that citizens advice bureaux give can be patchy because they are busy with all sorts of other things as well.

It is not good enough for the Government to say that this is down to local government. To be fair to local government, we have had a briefing from the association of local authorities, or one of those local government bodies, which says, "We're strapped for cash and we can't really provide all that we would like to in that way." Many local authorities will not provide such services and do not see them as a priority—perhaps they are old-fashioned.

Miss Begg: My hon. Friend is right. If a local authority does not consider such services a priority, we get the situation that we have in Aberdeen, where services did exist, but they were easy targets when there were budget constraints and the local authority was trying to save money.

Harry Cohen: I am grateful to my hon. Friend for making that point, which I fully agree with. Similar examples in my area give me concern.

Direction from the Government is needed to deal with the problem. They must say, "We want a national network of centres and we are prepared to will the means to do it." As part of willing the means, the Government must provide the core funding for such centres—for example, the one in Harrogate. Children's centres provide an example of how that could be done. One of the big things that the Government have done, which is excellent, is provide a children's centre in every constituency. I fully praise the Government for that; it is tremendous. However, they willed the means and said, "We want it." They put the money in, worked with local authorities and got it. That is brilliant and the Government should do the same for carers. The Government's current attitude, which is reflected in their response, is a do-nothing attitude, and that it should be left to social services and the local authorities. That is not good enough.

The second point that I want to make is about the general support for carers. When I intervened on my hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble), I mentioned the astonishing fact that the Government have basically said that they do not accept that the general level of support for carers is too low. Will the Minister specifically address that? Do the Government think that the general level of support for carers is not too low? I am interested to hear his response, because we know that at £50.55 the carer's allowance is the lowest earnings replacement allowance.

Thoughts run through my mind of the recent programme, "Rab C. Nesbitt", which is probably one of the funniest programmes on television. The MP in the programme says, "I can go and live off that," and is taken down the pub in Glasgow, or wherever it is, and he spends all his money there. Could the Minister live off £50.55—let alone care for someone as well? I do not think so, otherwise I would say that he should go to live with Rab Nesbitt and try it, but I will not make that particular suggestion.

The Government make two points. They identify that the issue of carer's benefit will be a priority from 2011. That is too long to wait. Where is the plan now? The other fallback argument is complexity. The issue of a carer's allowance is complex, which has been brought

out in today's speeches. Is the carer's allowance an income replacement? What should we do for carers who are in work? What should we do for full-time carers? We might need different approaches, but the current figure is too low for all those people.

A further point is that pensioners who are carers get quite a poor deal in the current system. They think that they will get some extra cash when they take on caring duties, but they do not. Some people suddenly find that they are caring for a second person. When I was on the "Politics Show", I spoke to a splendid woman who was caring for her husband, who had had a stroke. Suddenly, she had to care for her son as well, and she told me that there was not a penny of extra support in such circumstances. I do not think that that is fair, either.

My last point is based on a briefing that we received from the Parkinson's Disease Society, which includes a worrying point that I ask the Minister to address. The briefing states:

"We are especially disappointed that, in spite of claims that no reform of Carer's Allowance will take place until a major reform of carers' benefits, the Welfare Reform Bill contains plans [Clause 12 (1) (b)] to remove Adult Dependency Increases from those in receipt of Carer's Allowance—up to £30.20 a week at the current rate. The table on page 80 of the Impact Assessment accompanying the Bill confirms that: 'There will be a reduction in income for some carers.'"

Will the Minister comment on that? If it is likely to be the case, that part of the Welfare Reform Bill needs to be revisited. If the plan is to do one review of the whole, and that is why there is delay, at least delay that aspect as well.

People may think that I say such things because I am an old left-winger, or even a young left-winger, but I believe that millions of people up and down the country share my concern. If the Government can put a lot of money in for the bankers—rightly, because, as we all know, we need to keep the economic system going—why can they not do more for carers?

4.21 pm

Greg Mulholland (Leeds, North-West) (LD): It is a pleasure to serve under your chairmanship, Sir John.

I begin by explaining that I am wearing two hats today. I am speaking as a proud member of the Select Committee, and I am happy to follow my colleagues and their excellent contributions, but I am also speaking on behalf of my party.

I have been on the Work and Pensions Committee since I joined the House in 2005. With my first hat on, I would like to say that this is probably the best report that we have done. It is excellent, and its timing could not have been better. The Committee was everything that a Select Committee should be—unified, strong and bold—and, as well as looking at some of the failures of the past, it suggested positive ways forward to the Government.

I thank my colleagues for working together. I am sure that everyone on the Committee would agree that we work together extremely well, and we also get on very well, I am glad to say. We all take the roles of a Select Committee—scrutinising and coming up with positive proposals—very seriously indeed, and we would all want to thank our excellent staff, who do so much to enable that.

The only problem I may have today, Sir John, is referring to my Select Committee colleagues by their first name, which we always do. I ask you to forgive me if I make any mistakes. I am not entirely sure of the names of all the constituencies, such is our usual informality, but I will do my best.

I began by saying that I am wearing two hats today. One thing that we found through our extensive research leading up to this excellent report was that that is exactly the situation that carers find themselves in. They have the difficult job of juggling different roles. Their job of caring is often combined with work, and is sometimes combined with child care or other family responsibilities. Of course, whether they work or not, they still carry the burden of ensuring that sufficient income is coming into the household, whether that be from employment or through pensions or benefits.

What I found particularly helpful in our inquiry and our work was going out and speaking to many carers. We wanted to hear their voice, and I found the experience extremely powerful. Since then, like other Members who have mentioned that today, I have been speaking to carers in my constituency.

Something that will live with me for a long time is the visit to Harrogate, which was mentioned by the hon. Member for Bradford, North (Mr. Rooney), our Chairman, and during which we heard from carers of all ages. We heard about the challenges for older carers and the situation that they face. Many of them do not see themselves as carers—they are simply caring for their spouse, their loved one. They do not even see that they have a caring role.

And then, of course, we had that inspiring meeting with the young carers. We heard from incredible young people who have spent most of—in some cases, almost all—their childhood looking after a parent. We heard about their experiences and how they coped. That, too, has been touched on by other hon. Members. Caring has taken those young people away from the normal, everyday things that children would and should take for granted, if they are able to do so. I found that particularly powerful. Because we were listening to the voices of carers and were driven by the experiences of carers up and down the country, we made proposals that I am proud to associate myself with.

The bigger picture, of course, is that we want to move on to changing the position of carers in this country. I am sure that the Minister is listening carefully to everything that we have to say and I know that the Government took the report seriously. As our Chairman said, carers are an incredibly precious resource in our society, which is what we need to consider as we move forward on policy.

Carers are individuals who contribute to society. Our Select Committee Chairman gave that extraordinary £87 billion figure as the amount that they save the public purse every year. That is astonishing. To be honest, I cannot imagine such a figure. It is enormous, but, to put it in context, it is more than the annual spend on the entire national health service. I find that hard to take in, but it shows exactly what carers are doing, not just for their family members and loved ones, be they spouses or parents, but for our society and country. It is time that we recognised that. Instead of thinking, "What benefits can we give them?", we should ask, "How do we recognise them and their contribution?"

[Greg Mulholland]

The simple fact—I do not believe that anyone, including the Minister, would disagree with this—is that in the past we have not adequately recognised the support that carers give to people or their contribution to society. That really has to change.

Another thing that we found as part of our inquiry was that we are far behind some other countries. Select Committees can and do look at examples of best practice from all over the world and at the systems of nations that are ahead of us. We are ahead of many nations on many things, and I hope that they are looking to us to see how they can improve things, but we found examples from other countries—I believe most of us on the Committee would say from Western Australia in particular—that are, frankly, miles ahead of what we are doing in relation to not just the money given to carers to recognise their contribution, but signposting and support. Other countries really are a long way ahead.

There are examples in this country of where we are doing things very well, such as what we saw in Harrogate.

Miss Begg: One of the other things that we discovered in Australia is that they are much more imaginative in devising activities for people and in giving carers respite. The one that sticks in my mind is the men sheds; I do not know whether the hon. Gentleman remembers that. Perhaps he will explain how they worked, particularly for men with Alzheimer's. They had a shed to go to—that is what men do—and there was a women's equivalent. It was so imaginative, so simple and so effective.

Greg Mulholland: I warmly thank the hon. Lady for that important example, which shows that meeting people and seeing what they are doing can influence a report and, we hope, policy. We all agree that things must change. The Government do, too, having just published the carers' strategy.

Of the main issues in the Committee's report, we must take the financial one first. Our frustration is that the Government have taken it last. There are positive aspects to the carers' strategy, but until there is an adequate system of financial recompense for carers, which recognises their contribution, the many other measures, although very valuable, will simply not change the lives of carers as we have said they must.

The Committee Chairman and other Members have mentioned the double whammy: caring costs a considerable amount of money for the carer and the family, but carers often have to give up work, too, so caring costs more and they lose their source of income. Some costs of intensive—perhaps round-the-clock—care have not been considered, and, piled on top of that, often there are additional services that, frankly, are essentials, not luxuries.

Some carers find themselves in a desperate situation, and, as I have seen with constituents, there are other things, too, such as the extra transport costs of going to hospital and higher bills for heating if the condition of the person being cared for requires it. That is the situation for the Pinders, my constituents. Mrs. Pinder cares for her son, Matthew, who has complex needs and is susceptible to the cold. That is why I have separately campaigned for severely disabled people to receive the winter fuel allowance. Many additional costs can be associated with the carer and the person being cared for.

Carer's allowance, the only benefit for carers, is £50 a week and is simply not adequate. Everyone who has spoken has said that we cannot wait until 2011, and, although I acknowledge that these are important changes to complex benefits, carers cannot wait and the issue must be dealt with much more quickly.

Carers UK conducted a recent survey of the situation and found that almost three quarters—74 per cent.—struggle to pay essential bills, which in turn are going up. Some 32 per cent. of carers paying rent or a mortgage could not afford to pay it at all. Perhaps the most shocking finding was that 52 per cent. of carers, which is more than half, are cutting down on what they spend on food, just to make ends meet. That is entirely untenable and unacceptable.

Mr. Heald: Does the hon. Gentleman agree that the May 2008 Populus poll for Saga, which found that less than 1 per cent. felt the current carer's allowance was appropriate, gives a pretty good impression of how bad the situation is?

Greg Mulholland: That is another powerful example, and I thank the hon. Gentleman, my Committee colleague, for it.

There are also powerful disincentives. The Government and the Committee have focused on enabling people to work or to stay in work, but the reality is that to qualify for the allowance one cannot earn more than £95 in paid employment. With all the extra costs and burdens, that is not sensible. It means that many carers cannot work for a little bit when they want to, even though that could save the state money while enabling them to get by more easily. Again, that must change, and change now.

The Committee Chairman and others mentioned the issue of complexity. Of all the evidence we heard, the most extraordinary, for many of us, was the nonsense of older carers going through the process of claiming carer's benefits and being told that they were eligible, but then being told that they could not have them because of overlapping benefits. We found that hard to understand; we found it hard even to believe that it was happening, with computers pumping letters out to them.

Let us not forget the emotional effects, either. All the carers and carers' organisations that we spoke to said that the complexity puts people off applying for even those limited benefits, which they and the person for whom they care so desperately need.

I must echo what the hon. Member for Blackpool, North and Fleetwood (Mrs. Humble) said. I have already said that, looking to the future, the simplification of the overall benefits system is a positive thing, but, with a united voice, the Committee wants strongly to convey the message that the situation of carers must be changed and simplified now; it cannot wait for the wider picture. We believe that it is perfectly possible to simplify the situation so that they receive more adequate benefits and move away from the nonsense and the disincentives. I would be interested to hear the Minister's response to that.

As well as addressing the overlapping benefits issue that older carers face, any examination and reform of the benefit system must consider the 21-hour study rule, which one Member has already mentioned, because we

must remember the emotional well-being of carers. We heard very powerfully in Harrogate and on other visits about how it is so important for carers—who are themselves isolated and often stuck at home, except when they go to the shops for essentials—to study. At the moment, they cannot, but it is good for them and, once their caring ends, it supplies them with potential.

The system pays no attention to what happens after caring stops, and, for older people, the sad reality is that many carers outlive those for whom they care. What happens then, when, perhaps for many years, the carer's life has meant caring for that loved one? What happens after that? Unless we provide more support, allowing people to study, train and focus on getting a job after caring has ended, we will not have done a joined-up job.

Harry Cohen: The hon. Gentleman makes a good point about training, and he is quite right that training and facilities should be available at the end of caring. Does he agree that the state—the NHS, care homes and social care policy making—is missing a trick? Although some people will have had enough of caring, others will have learned skills that they want to take into other productive work—in care homes and in the NHS. Should we not look at that aspect, too?

Greg Mulholland: Absolutely. I thank the hon. Gentleman for that excellent point. That idea came directly from speaking to people who had obviously turned into wonderful carers and, as well as having the potential to become professional carers, they could advise and train other people. He is right: they are a resource that should be tapped.

The hon. Gentleman made another excellent point on a matter of real concern: the Welfare Reform Bill's plans to remove the adult dependency increases for those in receipt of carer's allowance. The regulatory impact assessment already recognises that the measure will mean a reduction in income for some carers, as he said. I ask the Minister to address that today, given the thrust of the carers' strategy and what the Government are trying to do. They must deal with it swiftly, because it is appalling for a Government change to come in now that will mean a drop in income for some carers, particularly when bills are rising and the cost of heating and the cost of living are going up. That will send out all the wrong messages. I ask the Minister and the Government to consider that a priority.

It is important always to remember that we on the Committee do not just have a scrutiny role. We also come up with useful suggestions. Our suggestion for a two-tier system, as we heard from the Committee Chair and other Committee members, is sensible, intelligent, workable and, most importantly, just. I hope that the Minister will reconsider. This is one of the most fundamental recommendations that we made. The carer's allowance should be replaced with a two-tier system: a carer's support allowance—paid at the same rate as jobseeker's allowance, with an opportunity to earn a modest, sensible amount in paid employment—and what the Committee calls the caring costs payment, which would be available to all carers in intensive caring roles and payable to those over the state pension age to compensate for the additional costs of caring. To some extent, that is based on the model in Western Australia, but it is a sensible, workable solution that could be introduced soon. I ask the Minister to give us his thoughts on that today.

I conclude by reminding all hon. Members, but particularly Ministers who have responsibility, that we must not fall into the trap of seeing this issue as just for the Department for Work and Pensions. Of course, as the hon. Member for Blackpool, North and Fleetwood said, people forget that the role of carers comes under that Department, but the impact and importance of carers are clearly much wider. There is a health role, too, for example.

The impact of improving the lives of carers can have a huge impact on a number of issues. We have heard about young carers and what they do. Just consider the educational disadvantage that a lack of support for young carers can mean in respect of their lives and earning potential and for their children in future. Child poverty is affected by this issue. Everyone realises that pensioner poverty is an issue—the Committee is about to go into a report on it—but child poverty can be affected by a just settlement for carers.

On pensioner poverty, which will be a focus for the Committee, we should look again at the changing demographics and the rising numbers of people who need caring for, which will mean even more carers, as other hon. Members have said. We face a £6 billion shortfall—we bandy that figure around—and we need a solution for that as quickly as is reasonably possible.

I thank my colleagues and friends on the Select Committee; I am proud of the work that we did. I feel that by listening to carers and allowing their voice to be heard, we were able to produce a strong report that gives the Government the opportunity to advance some workable, sensible, just solutions that could transform the place of carers in the 21st century.

I hope that the Minister continues in the direction that the Government appear to be taking with the carers' strategy, which contains some positive things. As he knows, we have warmly welcomed the access to information and so on, but can we seriously look at a just financial settlement for carers, as well as those other positive things, and can we do it soon, because carers simply cannot wait?

4.44 pm

Mr. Nigel Waterson (Eastbourne) (Con): It is a great pleasure to serve under your chairmanship, Sir John. I do not know about you, but at times during this debate I have felt hardly entitled to contribute at all, not having been to Australia—rather like the hon. Member for West Bromwich, West (Mr. Bailey). Despite that, I intend to add a few comments.

I have listened intently to this important and timely debate. I thank the Select Committee, which has produced a thorough and well-researched report, and particularly the Committee Chairman who introduced it. As constituency Members of Parliament, I think that we have all been touched by the dedication and hard work of the carers whom we have come across. The hon. Member for Aberdeen, South (Miss Begg) gave us some examples from her constituency. It is impossible to say with total accuracy how many informal carers there are in the UK at this moment—one estimate is around

[Mr. Nigel Waterson]

6 million—but one thing we know for sure is that that figure will rise as people live longer and the demographics change in the next few decades.

One reads a great deal in the papers about the so-called sandwich generation, of which I regard myself as a member: people who are looking after both children and elderly parents. Only the other day, there was a report on the number of such carers who are drawing down from their own pension pots to look after their own parents.

As the Committee's report rightly mentions, based on the Leeds university study, carers save the Treasury an estimated £87 billion a year, which, as has been pointed out, is a sum greater than the entire annual budget for the national health service. Unfortunately, not a lot of that money is passed on to the carers themselves. The report says that caring has a considerable impact on carers' incomes. We have heard all sorts of evidence to that effect this afternoon. Research by Carers UK found that carers lose out on about £11,000 a year as a result of either giving up work, reducing their hours or taking a junior position. This loss of income is hardly replaced by the £53 a week, from April, that they will get in carer's allowance.

Astonishingly, the Government do not know the current take-up rate for carer's allowance. The latest report—I mean "latest", because it only appeared in the early hours of this morning—from the National Audit Office states that estimating the take-up rate is incredibly complex because it is based on the take-up rates of other benefits. We have heard something about that from other hon. Members. However, according to the Department's own longitudinal study, of the 882,800 carers entitled to carer's allowance in May 2008 only 480,730 claimed it. That is the equivalent of £740 million in carers' benefits going unclaimed in a single year. It is remarkable that the Government's own carers strategy failed to address directly this rather obvious problem with the benefits system, given the amount of invaluable service that carers give not just to those they care for, but to the state and the taxpayer.

As we have seen, the eligibility criteria for carer's allowance are complicated. A carer must provide service for over 35 hours a week to a person receiving a qualifying disability benefit. Such strict criteria leave little room for manoeuvre. As has been said several times, carers who care for more than one individual for less than 35 hours a week each cannot receive carer's allowance. Age Concern and Help the Aged rightly pointed out in their joint briefing note:

> "Fundamentally, the current benefit system is financially inadequate for carers, discouraging to claimants, and far too complex."

The Government's response to the report acknowledged that the current system of carers' benefits lacks regard for the different situations and needs of carers. If a carer needs more flexibility to balance caring and working—because, per hour of service, the carer's allowance sits well below minimum wage—the Government provide little advice or guidance.

The National Audit Office report is not very flattering. It finds that a fifth of carers still have difficulties in applying for carer's allowance and it mentions the fact that the Department does not actually know the real level of take-up. It also reveals that while Jobcentre Plus is the main source of employment support for carers, only about one third of Jobcentre Plus personal advisers believe that carers receive the support that they need or should expect. More than 70 per cent. of those who had contacted Jobcentre Plus for employment support in the past year found that its services were not well suited to their personal circumstances as carers.

My party is working on ways to simplify the benefits system so that the take-up of those key benefits is improved, and my hon. Friend the Member for Henley (John Howell) spoke about that. Several hon. Members talked about the holy grail in this area—a single working age benefit. I am not trying to raise the temperature of the debate at this late stage, but in many ways the Government's response was dismissive to some important points in the report. Paragraph 32 of the response states:

> "The White Paper confirms that the Department remains attracted to the idea of a single working age benefit"—

so far, so good—

> "and will continue to explore whether, over the longer term, this is the right approach."

That choice of words does not suggest that a single working age benefit is top of the Minister's in-tray, but I agree with hon. Members who have said that perhaps it should be. I take the point that the hon. Member for Bradford, North (Mr. Rooney) and others made that we should not let the best be the enemy of the good and do nothing because we hope one day to reach that nirvana when everything will be perfect. However, we need a bit more enthusiasm from the Minister for getting on with this.

Without access to flexible work schemes, many unpaid carers are unable to continue working, so a future Conservative Government will ensure that every unpaid carer has the right to ask for flexible working hours so that they can manage their career and caring responsibilities in the best possible way. That is something that my hon. Friend raised.

Mr. Heald: My hon. Friend is making an important point about the future. The bill for benefits for those who care for disabled people will go up a good deal. I hesitate to mention Australia in the light of his earlier comment, but the approach there is that everything possible should be done to help carers to work if they want to. That relieves the state of part of the burden, and at the same time it is what carers want. Is that not something that needs to be given much more attention? Training, opportunities to work and so on are win-win.

Mr. Waterson: I am grateful for my hon. Friend's further reference to Australia. He has obviously been hacking into my computer, because I was about to deal with some of his very good points.

Our welfare to work proposals will also help those carers who are out of work but are able to enter employment by giving them help and support so that they can return to work as soon as possible. Carers who are already out of work need help in different ways. We heard a couple of times about the strange rule of 21 hours a week for education and training, and surely Ministers should examine that urgently. The Government should encourage training, as my hon. Friend said, so that carers' skills do not become rusty or out of date.

The Conservative party's welfare reform package is being spearheaded by my about-to-be noble Friend David Freud and includes proposals to help carers who are out of work to re-enter the work force by giving them help and support. When they are in flexible, carer-friendly work, a Conservative Government will help them to stay in work by ensuring the swift roll-out of individual budgets and direct payments. That will mean that instead of being fitted into a one-size-fits-all benefits system, carers will get the help that they need and want.

Comments have been made about care vouchers, and I have received briefing from Employers for Carers. Responsible, good employers, such as John Lewis, see that as the way forward, and it would be useful if the Minister said something about that. The press release of Employers for Carers says that back in August 2008, the Select Committee recommended not only that the Government carry out a full cost-benefit analysis of the care voucher model, but that the Department pilots the scheme for its employees. I thought that I had the hon. Member for Blackpool, North and Fleetwood (Mrs. Humble)—Fleetwood is where the tram stops—on board, and I do not see why that cannot be considered seriously, because Ministers can control that directly.

The hon. Lady, the hon. Member for Leyton and Wanstead (Harry Cohen) and, I am sure, others rightly referred to help and advice. We all know how important advice is, and in its briefing Age Concern and Help the Aged said that there should be a cross-Government strategy for the delivery and funding of information and advice, which would meet the needs of carers and others. That chimes in with the briefing from the Local Government Association, which says that good-quality information and advice are the first things that people with care and support need and their carers want. I am sure that that is right.

Many aspects of local government are having problems with cutbacks that have to be made because of lack of Government funding. In some parts of the country, advice services are one of the first areas to fall to the axe. In its Fair Care campaign, the Local Government Association set out the main problems and said that the system is underfunded, unfair and unclear. It went on to say that because of the tight financial environment in which they operate, councils now have little alternative but to tighten their eligibility criteria, raise charges and reduce services. How true that is.

The current economic climate does not help. On page 20 of the Select Committee's report, it says that it was right to place these issues in the broader context of child poverty and pensioner poverty. The hon. Member for Leeds, North-West (Greg Mulholland) touched on that.

The hon. Members for Bradford, North and for West Bromwich, West referred to child carers, who are a huge and often hidden problem. We know that there is an existing and growing problem with pensioner poverty. The official figures show that about 2.5 million now live in official poverty, and many are teetering on the edge simply because their savings—they did the right thing all their lives, as the politicians told them to, and put money aside while they were working to supplement their income in retirement—are bringing them a zero return. If that were not bad enough, to add insult to injury, when some of the benefits are calculated, it is assumed that they are receiving 10 per cent. on some of their savings. I would love to find the bank or building society that is giving such a return because I would be there like a shot.

Mr. Rooney: It was 18 per cent. under the Conservatives.

Mr. Waterson: I am grateful for that sedentary intervention. Whatever it was, I do not think that interest rates in the real world were zero. That is my point.

I join the Committee, whose members get on hugely well with one another—I am waiting for the drinks trolley to come around and to wander down memory lane—in welcoming recent pension reforms that will do more to ensure that carers, the overwhelming majority of whom are women, have a better chance of qualifying for a full state pension. On page 59 of its report, the Committee attaches some faith to the new system of personal accounts to help carers with unstable working patterns to build up a pension pot, but many of them are precisely the sort who may be caught in the trap between means-tested benefits and personal accounts. That issue is still far from being resolved.

Pressure has built up on carers as people must delay selling their homes to fund long-term care—that is clearly a huge problem at the moment—or as those who have sold their homes still cannot afford long-term care because interest rates have fallen to about zero. Without unpaid carers, local social services departments would be overwhelmed by the needs of disabled and chronically ill people. The Select Committee report shows graphically that the Government's strategy on carers is woefully inadequate in tackling this growing problem. A key concern is the failure to tackle the postcode lottery for services, as well as the need to improve public recognition of the key role that carers play in society. In addition, there are no hard commitments on tax and benefits in the Government's proposals.

We are all united in our deep appreciation of the role of carers in society. I can assure the House that the treatment of carers will be a major priority for an incoming Conservative Government. However, I would not wish to raise false hopes. The amount of practical help that we will be able to give, at least in the immediate term, will have to be within the inevitable constraints of the economic situation that we inherit from the current Government. We will have tough decisions to make, but we certainly will not forget the needs of carers.

5.1 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Jonathan Shaw): I thank the Select Committee for and congratulate it on the report, which is a well informed piece of work. The dedication required to produce it has been reflected in the comments made during the debate. That is borne out by the fact that the Committee took the time to visit carers and speak to them to find out how it is in real life, not just from the theoretical warmth of a Committee Room. That is to be commended.

The Committee decided to put on page 7 of the report a job advertisement that had been written by a carer and placed in a paper in New South Wales. It refers to the qualities required to become a carer and things that a carer will have to endure. It begins by saying that it is a

"critical role for self starter"

[Jonathan Shaw]

and a

"hands on role".

It also talks about

"experience in first aid, counselling, occupational health and safety, pharmacology, cooking, cleaning, communication skills",

as well as the things that people have to endure:

"The successful applicant must be able to endure the lack of joy, self-love and relationships indefinitely. Must also be able to function alone as friends leave due to your state of depression."

It continues in that vein and is fairly depressing. Those remarks are meant in some humour, but the advertisement wants to provide some reality about how some people are.

What strikes me about today's debate is that it is important for us to understand the complex needs of carers, because they are not a homogenous group. At one level, people are in a state of depression and there is a feeling of burden and isolation. That is without doubt something that people experience not just in Australia, but in the United Kingdom today. The 4 million or so carers referred to by the Chairman of the Select Committee, my hon. Friend the Member for Bradford, North (Mr. Rooney), are not a homogenous group. People have complex needs and are a variable group. Indeed, the Chairman told us that he was a carer for a short period for Mrs. Rooney—a lady whom I know well. She is a very patient lady, as those who know the Chairman will understand.

Mr. Waterson: Just as well.

Jonathan Shaw: Indeed so. The Chairman talked about the contribution that the voluntary sector has made. He referred to the Princess Royal Trust, and Carers UK was also mentioned. I have met representatives of both organisations, and not just in the comfort of my lofty Whitehall office; I have also attended conferences. I can assure hon. Members that going to the Carers UK members conference and doing a question-and-answer session is good for one's health, because it brings one into close contact with the people whom the Committee met.

One of my first jobs before coming to this place was as a care assistant. I have undertaken many of the tasks that carers do. Those tasks need not be referred to in detail in this debate, but I can assure hon. Members that I have been at the coal face. The difference—it would be right of people to bring this up—is that I left the establishment where I worked when I finished my shift. There is no end to the shift for carers, as the Government are acutely aware.

As some hon. Members said, it is important to consider the context not just of other Departments, but of other services that are provided. For a carer or someone being cared for, the NHS is crucial. Does it not impact on someone's health if they have to wait more than 18 months for an operation? Absolutely. Does it not impact on someone's health if they have to wait up to two years for an operation? Absolutely. Does that happen now? All hon. Members will know from their constituencies that it does not.

We have met our target of 18 weeks or less. If we had said to the 4 million carers in 1997, "You will not wait longer than 18 weeks for your operation," they perhaps would not have believed us, but meeting that target has had a huge impact—not just for carers, but for all people. The party that I represent in government is very proud of that and I am sure that we are all pleased, because all our constituents benefit, and carers and people being cared for benefit in particular.

Comments were made about the benefits system, and reference was made to the care and support system. The hon. Member for Eastbourne (Mr. Waterson) talked about the ageing society. That is without doubt one of the big social policy issues that we have to grasp and find solutions to. There are competing demands and, yes, the situation is difficult. Gladly, we had the debate on pensions, and the House reached some consensus on it. I will be one of the first people working to the age of 66 to make the contributions, which is fine.

There is the carer's allowance, and hon. Members have referred to the fact that people would prefer that it be increased. Should it continue to be universal? Should it be targeted as we grow older? The hon. Member for North-East Hertfordshire (Mr. Heald) talked about a financial black hole caused by the ageing society, and also about eligibility.

All those factors impact on carers and the people for whom they care, so we will publish the care and support Green Paper. From that, we need a wide debate about priorities, quality, affordability and whether measures are universal or targeted. Those are difficult issues for us. Just as we had the pensions debate—it took us a while, but we got there—we have to have a wide-ranging debate on this issue. It is important that we have that debate and bring people with us, so that they understand the complexities and difficult decisions. Carers are very much part of that.

I hope that we can arrive at consensus in the same way that we did on pensions. If we do not take that approach, we will propose something and there will be resistance to the change, as there was to some welfare benefit reforms in the past. We need to deal with benefits reform and care and support in tandem as we proceed with this important reform.

Mr. Rooney: Can the Minister give today a timetable for the Green Paper—a prospective time frame for its publication?

Jonathan Shaw: Is my hon. Friend referring to care and support?

Mr. Rooney: I am referring to what the Minister suggested about options for carer's allowance.

Jonathan Shaw: I am not able to give my hon. Friend a timetable. He knows that the care and support programme is coming up soon. We have signalled the way forward by giving a commitment on certain dates, but as I said about the NHS, we need to consider in a wider context the reform of services in relation to benefits and how that can affect carers and those for whom they care.

A number of Members said that the disregard of £95 was insufficient. It is reasonable to point out that it was increased two years ago from £50; we wanted to give a significant uplift in order to assist people and provide some certainty. It could be argued that there should be a taper, but that would introduce more complexity. Universally, Members have said that carers have told them—they have told me, too—that they do not like complexity. We will keep that under review, but there is not a simple solution. If we do not have what I might

call the cliff face, we must have a taper; but with the taper comes more complexity. Again, carers have told the Committee and me that they do not want that.

My hon. Friend the Member for Bradford, North asked whether carers who did not meet the conditions of the progression to work group, rightly referred to in the report, would be able voluntarily to enter that group in order to be assisted back to work. The answer is yes. I hope that that also answers the questions about assisting people into employment asked by the hon. Member for Eastbourne.

A number of hon. Members referred to the provision of carer centres. Special grants have been awarded to carers organisations, including those that run carers' centres, to enable them to develop capacity. However, it is for councils and their partners to ensure an appropriate level of provision. We will do our bit, but local government needs to do its part as well. Do services vary from one authority to another? Yes, they do. That reflects the priorities of those elected to serve their local communities.

The report also refers to how to empower individuals. I have been taking part in the Committee stage of the Welfare Reform Bill today, and we are introducing the right to control benefits, some provided through social care and some through the Department, such as access to work. Indeed, there will be benefits also under the Health Bill, with tailored individual budgets. We will pilot those measures, working in partnership with carers' groups, disabled people's groups and local authorities, in order to find out what works. It is important to establish what works. If we do not have pilots—some have suggested that we should not—we shall have to roll out different budgets together. If it falls over, people's anxieties will be raised, and we will lose the opportunity to introduce the necessary reforms.

We have been asked what steps are being taken to ensure that carers undertaking part-time work do not lose their entitlement to carer's allowance as a result of the minimum wage. I hope that what I said earlier about the disregard will help. We will keep the matter under review.

The hon. Member for Henley (John Howell) gave us examples from his constituency. He rightly mentioned the need to develop services in rural communities and to have individualised budgets. That will bring some tension without an economy of scale. Although we will have pilots for the benefits reforms that I referred to, it is important to consider rural areas; previously, I was Minister with responsibility for rural affairs, and I know that the hon. Gentleman was right to bring the problems in such areas to our attention.

I am encouraged that Conservative Members now support flexible working policies. There was a time when they set their face against people having time off for family matters. They have reformed, and that is welcome. We have to strike a balance between the needs of business and the needs of individuals, but if someone is already in work when they acquire their caring responsibilities, they will be pre-qualified to request flexibility. Again, it is an important piece of legislation that assists people in that regard.

The Coleman judgment was mentioned. We are considering the appropriate legislation in order to deal with that concern. That will be forthcoming soon.

Many hon. Members will know that my hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble) has had a distinguished career in matters to do with social services. She chaired Leicestershire county council's—

Mrs. Humble: Lancashire.

Jonathan Shaw: Did I say Leicestershire? Good grief; I meant Lancashire, the proud red rose county in the north-west of England.

My hon. Friend chaired the county council's social services committee for a number of years. She spoke about the need for government to join up, an important matter. She referred to my predecessors, my right hon. Friend the Member for Stirling (Mrs. McGuire) and my hon. Friend the Member for Bury, South (Mr. Lewis), now the Under-Secretary of State for International Development; they took the disability and social care roles respectively. I assure my hon. Friend and the House that I and the Minister of State, Department of Health, my hon. Friend the Member for Corby (Phil Hope), who is responsible for social care, will continue to work closely together. Indeed, on the care and support first principles consultation, he and I attended public meetings and had a public discussion with a range of stakeholders, seeking their views on the future shape of services.

Members referred also to advice and guidance, another important topic. Carers have complained to me and to the Committee—and to us as constituency MPs—about the complexity, the not knowing where to go, the being pushed from pillar to post, the form-filling and so on. I referred earlier to providing members of the Committee with a letter in order to ensure that we got it right. I regret that no fee will be involved, as we have to prioritise expenditure, but I am sure that they will give us their comments on a pro bono basis. We are attempting to improve. We are providing a new service, and the carers' support helpline will go live from April. We are putting about £2 million into it.

Another service that I wanted to bring to the attention of the Committee—a little indulgence, Sir John—is the Tell Us Once pilots that we instigated, particularly for the bereaved. Earlier, we heard that if the cared-for person dies, carers may find themselves, in that bereaved state, having to deal with various agencies. We have been piloting a scheme with a number of authorities whereby people can attend a council centre and tell only one person once, and that person will take care of all their national and local benefits. The work has been done in partnership between the Department for Work and Pensions and local authorities. I have met the staff members who have been operating that service, and they were so enthusiastic about it. The feedback that they have received from customers has been really positive. I hope that we can roll that out; people such as carers will benefit from that service.

My hon. Friend the Member for Blackpool, North and Fleetwood referred to USDAW, members of which I met at a conference last year. I spoke with carers, many of whom want to work. Indeed, half of those carers not in work say that they want to enter paid employment, and we will develop services through Jobcentre Plus to provide support for them. We always need to improve the knowledge base of our Jobcentre Plus staff,

[Jonathan Shaw]

who, as has been said today, must acquire a range of different skills. The hon. Member for Henley raised that point, and I recall him talking, in the main Chamber, about when he visited the Jobcentre Plus office in his constituency. He praised the staff in that office. At the moment, they are working very hard, given the current economic situation. However, we intend to develop services for carers, so that we can understand their needs and help them to find employment, because that is what they want.

We do not want to pilot care vouchers, because we do not think that it is the best use of resources. They would be very poorly targeted and regressive, so we do not intend to do that, either nationally or in the Department. That returns us to the point about the carer's allowance and universality versus targeted benefits. The hon. Member for Eastbourne talked about resources, and we must make such decisions. However attractive some employers think that vouchers would be for their staff, we do not want to use them ourselves.

Mr. Rooney: I am not especially in favour of care vouchers—there are all sorts of issues there—but there is a strange contradiction between the Government's attitude towards care vouchers for adults who need care and care vouchers for children. Tax advantages are available for workplace provision of child care, but not of adult care. Does the Minister not find that a contradiction?

Jonathan Shaw: We must consider the infrastructure, as well as how we apply the benefits. A move towards vouchers, given the time and cost implications, and the apparatus that would need to be put in place, would not produce a situation more desirable than that resulting from the reforms to the benefits system that we want. The analogy with child care vouchers is also imperfect, because children are rarely financially independent with an income source, whereas generally adults needing care have some financial resources at their disposal, as well as state-provided care or benefits, which I referred to earlier. The circumstances, therefore, are different.

Our ambition is to move to a single benefit. I have referred to remarks about putting this matter in the context of care and support. Having listened to carers, we decided not to move carers on to jobseeker's allowance, as we had originally proposed in the Green Paper. Carers told me in no uncertain terms at the Carers UK conference that they thought it would be an insult to do so—actually, there were a few expletives—so we are not going to do that. We do want more simplification, but we need to consult on that and take people with us before we introduce our proposals.

The personal account given by my hon. Friend the Member for Aberdeen, South (Miss Begg) provided an insight into what it is like to be cared for. She also told us how her parents had to endure some of her less than reasonable moments—not that she is like that now. She rightly pointed out the need to support young carers, and talked about the difficulties faced by families often in a chaotic situation. She talked about parents who might be drug dependent. Albeit only in England, we are introducing support for families as part of the aiming higher for disabled children initiative. We have invested £370 million to support, and increase the number of, short breaks for parents caring for a disabled child, which I am sure will make an enormous difference to the lives of many families. It is for her to talk to the Scottish Government to see whether they can match that. I shall not respond in detail to her point about Aberdeen council, but obviously she is no fan of that particular local authority and some of its decisions.

My hon. Friend the Member for West Bromwich, West (Mr. Bailey) spoke eloquently about the need to improve services for young carers, as did a number of others—I am pleased that the service in Sandwell is there. He talked about the question that he put to young carers in his constituency and about a national organisation. He asked me to pass on those points, which certainly I shall. However, we need to recognise that the Prime Minister has set up a cross-cutting body to look at carers that will take account of children.

My hon. Friend the Member for Leyton and Wanstead (Harry Cohen) was his usual direct self and invited me to go and live with Rab Nesbitt—if he does not mind, I shall decline the offer. However, I shall provide him with a note on the point that he raised on behalf of the Parkinson's Disease Society. I can provide him with the details that will allay his concerns. He also mentioned someone who had suffered a stroke, which brings me back to one of my original points. NHS stroke services have improved vastly in recent years. I am sure that that goes for his patch as much as mine. That will have lowered the dependency of some on carers as well as the requirements of carers.

The hon. Member for Leeds, North-East—

Greg Mulholland: North-West.

Jonathan Shaw: Heavens above! Thank you very much.

The hon. Member for Leeds, North-West (Greg Mulholland) rightly took a moment to congratulate the Committee and himself on the work that they have done. The earnings limit has risen considerably, although one must take a decision about balancing the complexities of a taper and what is admittedly a crude system at the moment.

I am grateful to hon. Members for introducing this debate and for their hard work. They can be assured that the Government are very committed to this issue, as we have set out in our strategy, and I am grateful for the support that hon. Members have given to that work. I look forward to working with the Committee, and I am pleased that its members are champions. It is my job to listen to the Committee so that I can take forward its concerns. We all want to ensure a better quality of life for the 4 million carers who do such sterling work. We have made good progress already, but of course more remains to be done.

Sir John Butterfill (in the Chair): I congratulate the hon. Member on what I thought was an excellent debate on a fascinating subject. If any hon. Members are ever in Bournemouth, I urge them to visit the Youth Cancer Trust, of which I am president and a leading fundraiser. It provides wonderful respite care for young people with cancer, many of whom have terminal conditions.

5.30 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).

Westminster Hall

Tuesday 3 March 2009

[MR. DAVID AMESS *in the Chair*]

Latin America

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr. Blizzard.)*

9.30 am

Jeremy Corbyn (Islington, North) (Lab): I am pleased that we are debating UK relations with Latin America today. I shall divide my speech into three parts. I shall discuss Latin America in general, then talk quite a lot about Bolivia, and in conclusion make some general remarks. Looking at the number of hon. Members here, I think that we can all do the arithmetic and agree the timing so that everyone can contribute.

This is a time of high excitement throughout Latin America. The continent is going though incredible changes at a very fast pace. There is in the air a sense of optimism and, in many countries, of liberation from past oppressions. I have been involved in debates about Latin America ever since I first entered the House in 1983. During that period, there have been terrible times in Latin America, but there have also been times of great hope. I think that now is one of the optimistic times.

One thinks back to the period of dictatorships in the 1980s in Chile, Argentina, Bolivia and Peru and one remembers the vast human rights abuses that have happened throughout the continent at various times. Now one sees, not necessarily liberation for everybody, but optimism on a grand scale, particularly for people who have been systematically discriminated against—namely, the non-Spanish-speaking minorities in a number of countries, and the people who suffered under the various dictatorships. It is pleasing to see that the Inter-American Court of Human Rights is up and running and is effective. I hope that, if required, we will be able to give recognition, help and support to that institution, because it is important to have it.

Britain has always had a huge relationship with Latin America, not only through trade and investment. Indeed, the Bolivarian wars of independence started in Britain, when Simon Bolivar and de Miranda sat together near Warren street and plotted the liberation of much of the continent from the then Spanish empire. British commercial involvement was huge throughout the whole continent. I therefore find it rather sad to have to say—I hope that the Minister can give me some good news on this—that there seems to be a problem, in that the Foreign and Commonwealth Office has been systematically downgrading our diplomatic representation throughout the continent and closing quite a lot of embassies.

The Department for International Development has followed suit by leaping to the headline figures that show that most Latin American countries are deemed, in the Department's terms, to be middle-income countries, which means that the requirement for British overseas aid is limited. We therefore have fewer DFID offices in Latin America than in any other part of the world. Although we still have a substantial programme throughout Latin America, my suspicion is that once the office is closed and representation is taken away, two things happen: first, the accountability of the programme starts to diminish; secondly, the programme is cut altogether. We should be aware of that process. I hope that the Minister can give us some comfort and good news on that point.

The United States has traditionally had enormous influence over Latin America. That stems from the Monroe doctrine, which arose after most of the countries in Latin America had gained independence. Essentially, the US sees Latin America as its own backyard, and its intervention throughout the region has seldom been a benign affair. One thinks of the numerous incidents of US military involvement and engagement in Latin America and of the promotion of coups, such as those in Chile and Guatemala.

Trade with the US has always been dominant throughout Latin America, but things are changing fast. Two schools of thought are running throughout Latin America: there are those who want to have direct trade links and treaties with the US, such as those signed by Peru, Columbia and Mexico; but there is also the community of Andean nations debate, which is dominated by Bolivia and Venezuela, which most strongly promote the idea. I hope that the Minister can give us some positive news and that she will encourage the EU to engage directly with the community of Andean nations and negotiate with them, as well as having the bilateral agreements that are currently being made with individual countries.

Huge change is happening throughout Latin America. Essentially, a political debate is going on about the economic and cultural independence of Latin America, and whether its development, growth and future depend entirely on relations with the USA, or whether it will take a much more independent route in the future. For example, a few years ago, Argentina had a massive economic problem: it had huge debts and its economy had collapsed. Now, internally, Argentina has turned itself around; it is much more economically stable and standards of living are rising. Although there are still political tensions within Argentina, it is very much part of the development process throughout Latin America. Likewise, the huge changes that have recently taken place in Venezuela—I am sure that my hon. Friend the Minister will talk about them this morning—show that there are different paths to development and out of poverty. Those paths do not necessarily rely solely on the traditional development of trade patterns; they also relate to the idea of a stronger internal market, a stronger indigenous economy and the ability to break free from the cycle of debt, depression and poverty.

As I mentioned at the start of my speech, behind all that lies the fault line throughout Latin America. The independence movement of the 19th century brought about independence essentially for the settler classes and the colonials who dominated the continent at that time. We now have the growth of non-Spanish-speaking communities, the development of indigenous people and their rights, and demands that their human rights be recognised and dealt with.

Traditionally, Latin American people have migrated in large numbers—mainly to the USA, but to Spain and other parts of Europe as well—to seek salvation, to find work and to send money home. On a recent visit, many

[Jeremy Corbyn]

people mentioned to me their anger at the way in which the European Union is treating Latin American migrant workers. Some time ago, many hon. Members here today were present in the Inter-Parliamentary Union room when the all-party group on Latin America invited all the ambassadors from Latin America to come and talk to us about their concerns. They were unanimous in their condemnation of the EU ruling that threatens the deportation of large numbers of Latin American people who work in Europe, often as unskilled workers such as office cleaners and in similar jobs. We should think again about that policy. Deporting those people is cruel and inhumane to them, damaging to their economies back home, and damaging to relations between Britain, Europe and Latin America.

Mark Pritchard (The Wrekin) (Con): The hon. Gentleman makes an important point. Latin American immigrants and migrants to this country from other parts of the European Union make a real contribution to this nation and its economy, but is he saying that he is at odds with his Government's position and the introduction of the new points-based migration system? Does he agree with the system or not?

Jeremy Corbyn: We are dealing with two issues here. One is the position of migrant workers in Europe. I personally strongly support the "Strangers into Citizens" campaign as the right way forward, because it recognises that people have been here a long time and that they seek to work and to contribute to our economy and society. That path makes for a more cohesive society. I do have a number of concerns about the points-based immigration system, not least its effect on poorer countries throughout the world. Such a system often sucks out the most skilled and able people when they are most desperately needed in those societies. We must look at that aspect.

Mark Pritchard: *rose—*

Jeremy Corbyn: I stress that this is a debate not about immigration but about our relations with Latin America. However, since the hon. Member who wishes to intervene represents the area where I grew up and learned many of my political skills, such as they are, I cannot resist the temptation to give way to him again.

Mark Pritchard: The hon. Gentleman knows that we get on very well. I do not agree with much of what he says, but at least he is consistent and believes what he says. There is a lot to be said for that in this place.

Jeremy Corbyn: That is what I learned in Shropshire.

Mark Pritchard: And Adams' grammar school is an excellent grammar school—and partly fee-paying, just for those people on the left of the hon. Gentleman's party to note.

I am a little confused. A moment ago, the hon. Gentleman appeared to argue against the Government's position of resettling people in and asking people to return to Latin America. In a second point, however, he contradicted himself by saying that migration to Europe sucked out the best brains from Latin America. Which is it? He seems to be confused.

Jeremy Corbyn *indicated dissent.*

Mark Pritchard: The hon. Gentleman did make those two separate points.

Jeremy Corbyn: I made two separate points in response to a very gentle intervention from the hon. Gentleman, who is trying to divert this debate from its true purpose. I do not intend to be diverted. That is the sort of tactic they use in Adams' grammar school's debating society, so I am not prepared to go any further down that road. I have made my views clear, but, if he doubts them, he can read *Hansard* tomorrow.

I was privileged recently to be the leader of an Inter-Parliamentary Union delegation to Bolivia. We spent one week there and met a large number of political representatives of all hues. We had an important meeting with the Vice-President of the country, met a number of popular organisations in El Alto, the very poor area just north of La Paz, and went to Santa Cruz to meet those who, for all intents and purposes, are the leading opposition forces. The IPU organised the visit, and I hope that representatives of the Bolivian parliamentary system—probably after the elections later this year—will be able to undertake a reciprocal visit to this country.

The purpose of our visit was to build relations at parliamentary level. The delegation consisted of, from the Commons, my hon. Friends the Members for Hackney, North and Stoke Newington (Ms Abbott) and for Barnsley, East and Mexborough (Jeff Ennis) and myself, accompanied by Kenneth Courtenay, the general-secretary of the IPU, and the House of Lords members of the delegation, Baroness Gibson and Lord Kilclooney.

David Taylor (North-West Leicestershire) (Lab/Co-op): My hon. Friend may be aware that in the Foreign and Commonwealth Office's Latin American country profiles, Bolivia is restricted to about 10 or a dozen words, in contrast with other countries that are the subjects of detailed analyses. Does he believe that Bolivia's relatively weak economic status means that, as a priority for the FCO, it is correspondingly low and vanishingly small? Does he regret that?

Jeremy Corbyn: This will totally shock my hon. Friend, but I have good news to bring him on behalf of the Government.

Mr. David Anderson (Blaydon) (Lab): Which Government?

Jeremy Corbyn: The British Government. I have just had a very useful conversation with our esteemed Minister, who deals with these matters, and I am sure that she will not mind me repeating it. She is to meet the delegation that went to Bolivia, and we will apprise her of all the details of our visit. Indeed, I have offered her 60 pages of my hand-written notes on it.

David Taylor: In Spanish.

Jeremy Corbyn: Sadly, the Minister declined to receive them. Even though they are written in English, I am sure that they are just as incomprehensible as if they were written in any other language, but I am confident that, at the end of the meeting, she will appreciate the importance of Bolivia as a developing country in Latin America and of according a higher status to British representation there. I look forward to doing that.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): I have yet more good news for the Government. Does my hon. Friend agree that the delegation's visit, which, as far as I am concerned, was extremely successful, was significantly enhanced by the more-or-less constant presence of both our ambassador to Bolivia, Mr. Nigel Baker, and the Bolivian ambassador to Britain, Señora Beatriz Souviron? Is it not true that the British ambassador's profile was significantly enhanced by his participation as an international facilitator during the national meetings on the new constitution between the Bolivian Government and the regional prefects?

Jeremy Corbyn: Yes. I thank my hon. Friend for that intervention. As he says, we were accompanied throughout the visit by the ambassador, Nigel Baker, on behalf of the British embassy, and by Beatriz Souviron, the Bolivian ambassador to the UK, which meant that we had very good advice from them both before and after all the meetings that we held. The visit was also considered to be important because—I believe that this is correct—the British parliamentary delegation was the first national parliamentary delegation to go to Bolivia from any European country for a very long time. There has been an EU delegation, but none from any national Parliament. As a result, we were very well received. The Bolivians felt that the visit was an important recognition of the democratic changes and process in their country. We were able to discuss how we can support and assist that political and democratic change, and I was most impressed by the people whom we met.

There are two images of Bolivia which are fundamentally wrong. If one reads most of the press, one assumes that Evo Morales is some kind of stooge of President Chavez of Venezuela and that Bolivia is tantamount to a Venezuelan colony. That is absolute nonsense—there is no such feeling. There is a feeling of mutual support and solidarity, as there is between many other Latin American countries, but that is now how the relationship is presented in the press. Secondly, although enormous and fundamental political debates are ongoing in Bolivia, it is not true to say that the democratic or parliamentary systems have broken down—quite the opposite. We witnessed pretty robust discussions between the various political groups, but surely the important point is that they were having those debates.

Another fundamental point is that President Morales became the President of Bolivia as a result of popular social movements, including the campaign against water privatisation in Cochabamba and the cocoa growers' campaign, of which he was an intrinsic part and effectively the leader. He was also helped by the strength of the miners' unions in several places, particularly Potosi, and the strength of the popular movements representing one of the poorest places in Bolivia, El Alto, a large barrio on the Altiplano above Le Paz. Morales became President as a result of those campaigns and popular movements and, in many ways, he represents the hopes and aspirations of the very poorest people in Bolivia.

Furthermore, Morales was the first non-Spanish speaking, indigenous leader to be elected to the presidency on a popular vote, the highest popular vote ever received by a presidential candidate in Bolivia; and it was the first time that somebody had won in the first round of an election. That is very significant, indeed, and we should pay due respect to it. At a reception organised by the British embassy, somebody who, as far as I can gather, is not necessarily a supporter of Evo Morales or the political process that he represents told me, "Forever, Bolivia will be judged before and after the election of Evo." His election has been that fundamental to the change in attitudes in Latin America.

The new constitution pursued by the Bolivian Government is being developed through a constituent assembly chaired by a redoubtable lady, Silvia Lazarte, who addressed a meeting in the House when she visited late last year. The constitution is designed to protect indigenous rights, land rights and linguistic rights, to provide education, health, opportunities and hope, and to protect human rights in Bolivian society. This has been met with huge opposition, particularly from the wealthier provinces, mainly led by Santa Cruz, which are opposed to it and to the land reform elements in particular. It went to a national referendum and was approved by just over 61 per cent. on a national vote. The vote in La Paz was considerably more than 61 per cent. and in Santa Cruz and the other opposition provinces, for want of a better word, the result was more or less the mirror reverse of the national result, with around 40 per cent. support for it and about 60 per cent. opposed. Nevertheless, it has been approved.

During the first three days of our visit we were gasping our way around La Paz because we rather unwisely went straight into activities and meetings without taking sensible advice to spend a day acclimatising ourselves to living at 4,000 m. So we got through it, shall we say. We had meetings with the Government, the Vice-President and the Foreign Minister and were able to discuss Bolivia's relations with neighbours and with Europe.

Bolivia's relations with its neighbours are obviously important. It has a small population and is a poor country that relies particularly on exports of hydrocarbons and minerals for its survival. Therefore, relations with Brazil, Argentina, Chile and Peru are important. Unfortunately, Bolivia's history has been one of wars and loss of territory to Paraguay, Brazil, Peru and Chile. There is a continuing problem with the competing claims over the northern part of Chile and how those are going to be resolved. It is not for us to decide how that situation will be resolved: that has to be done bilaterally within Latin America. It is creditable that there has been a series of meetings and quite a good relationship developing between the Bolivian and Chilean Governments. One just has to support that process and hope that something good comes out of it. Bolivia requires good relations to export its crops and goods.

On the democratic developments in Bolivia, we met representatives of all the political parties and had an interesting meeting with the public defender or ombudsman, who is effectively a kind of human rights commissioner. The person we met was impressive. The reports that she had produced on investigations were objective and interesting, particularly the one on the killings in Pando, where a number of people died in a conflict between a group of campesinos and representatives of the prefect. One can say with confidence that there is a strength in the democratic process there and in the inquisitive process through the public defender's office, for example.

We went to Santa Cruz where we met the prefect, who is strongly opposed to the general trend of Bolivian politics and would not count himself a great friend of

[Jeremy Corbyn]

Evo Morales, to put it mildly. He complains loudly about the land reform and we were slightly puzzled by that, because it seemed fairly modest to us, in that there is still an enormous land area allowed to be owned under the new constitution and a huge imbalance in land ownership. We urged him strongly to undertake a series of meetings with President Morales and join in the national debate and consensus, because although a constitution has been passed into law, a lot of subsequent legislation is needed before the elections can be held in December. The logjam that exists between the Senate and the Chamber of Deputies is not helpful. We urged him to take part in debates and in that discussion. Indeed, we presented him with two whisky glasses, suggesting that he drink from one himself and keep the other for President Morales when he visits, so that they can have a little chat together. My hon. Friend the Member for Hackney, North and Stoke Newington complimented him on the high quality of the British suit that he was wearing during the discussion.

The other aspect of Bolivia's future is its mineral resources and hydrocarbons. Bolivia has been pillaged by Spain and by international companies that have taken the silver and tin and paid, effectively, low prices to the Bolivian people. The Bolivian Government have taken into public ownership all mineral resources, particularly hydrocarbons. There was an interesting debate about how Bolivia now goes forward, both in respect of exploration for new reserves of gas in particular, and the exploitation of those reserves.

We spent a day visiting the BG Bolivia gas field near Villa Montes, in the south, looking at the process used to extract the gas from the ground—drying it and cleaning it—after which most of it is exported to Argentina and Brazil. We also had a discussion with a representative of the state hydrocarbons company. Essentially, at the moment the hydrocarbons are in state hands. The companies operating in Bolivia extract, cleanse and export the gas. The process is monitored by the state company, and the extracting company—in this case, BG Bolivia, but there are others, such as Repsol—is paid accordingly. There seemed to be a fairly good practical relationship, although the issue of the funding of future exploration has not been satisfactorily resolved as yet. We hope that it is resolved in the near future.

For me, going to Bolivia was exciting. Seeing what was happening, including feeling the sense of hope and optimism of many of the poorest people—particularly, meeting the indigenous groups that have traditionally suffered the most appalling discrimination, including lack of access to education and the political system—was exciting and made me optimistic.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): As my hon. Friend has noted, President Evo Morales is the first indigenous president of Bolivia, in a society in which, in living memory, indigenous people were second-class citizens who were not allowed into certain parts of La Paz and not even allowed to meet a person of European origin and look them in the eye. Do not all the left-of-centre Latin American Governments—those led by Evo Morales in Bolivia, Lula in Brazil and Chavez in Venezuela—represent groups and ethnicities that have hitherto been marginalised in Latin American society? Is it not important that Her Majesty's Government look at these Governments not just through purely ideological eyes, but through those of the marginalised ethnic groups and indigenous people whom they represent and put ourselves on the right side of history in supporting the progressive change that they represent?

Jeremy Corbyn: I agree with my hon. Friend. I first went to Latin America at the age of 19. I remember going to remote towns and villages in Bolivia where nobody spoke one word of Spanish, and they did not feel safe in going—and did not even feel the need to go—much beyond those communities. As far as they were concerned they were surviving and a Spanish-speaking elite ran the politics and dominated the whole country. Things have changed and they are never going to change back. A fundamental, exciting change has happened. The change is not just linguistic: it is cultural, iconic and religious and permeates all the way through society. All of us are going to begin to understand a lot more about the culture of Latin America that has been suppressed for a long time and is now bubbling up to the surface and coming out into the open. That is exciting.

The way that we deal with the change is important. As my hon. Friend the Member for Barnsley, East and Mexborough said in his intervention, there was a serious attempt at derailing the Government of Bolivia last year and there was a series of stand-offs. A number of things happened. The European Union ambassadors, particularly our ambassador, got involved in trying to promote political dialogue, which helped stabilise the situation, and every one of the neighbouring countries, bar none, took part in an important meeting in Santiago and declared their support for the unity of Bolivia and opposed the idea of any secession of the wealthiest parts in the south and east of the country. The ambassador and others have played a valuable role in that process. I think that I am right in saying that all the members of the delegation concurred on those points.

Jeff Ennis: On that point, does my hon. Friend agree that there is still a tension between the national Government and the regions? To some extent, I compare that with the tension 10 or 15 years ago between the different regions of our country. That tension needs to be resolved through dialogue and talking, and that is what we—as a neutral nation, as it were—should be promoting in Bolivia.

Jeremy Corbyn: I agree that the only way to resolve the issues is to accept the need for justice, dialogue and democratic and accountable government. I did not detect any hostility to that concept by most of the politicians whom we met, but I detected a group of people in some parts of Bolivia who are extremely wealthy and powerful and who believe that they need not pay taxes and that revenue should not be used to deal with the appalling poverty that the people on the Altiplano typically suffer. More than half the population survive on less than $2 a day, and living in Bolivia is not cheap.

Ms Abbott: On the tension between different groups in Bolivian society, more dialogue is certainly necessary, as my hon. Friend the Member for Barnsley, East and Mexborough (Jeff Ennis) said. Does my hon. Friend the Member for Islington, North (Jeremy Corbyn) agree that particular groups should not believe that they have the tacit support of the United States?

Jeremy Corbyn: US strategy towards Latin America has changed for several reasons. Its economic problems, its obsession with the middle east, and the war in Iraq have taken its attention away from Latin America. The new President and his Administration have not made a high priority of relations with Latin America. This is a period when Latin America can consolidate itself as an entity following the eternal dispute with the United States.

Mark Pritchard: Does the hon. Gentleman think it right, while the British Prime Minister is in Washington talking to world leaders about avoiding protectionism, to call for protectionism in Latin America when almost all Latin Americans, whether in Bolivia or Venezuela, want free trade—albeit fair free trade—to improve their life chances?

Jeremy Corbyn: I do not remember calling at any time for protectionism in Latin America. I was talking about investment to ensure that hydrocarbon and other mineral resources are properly developed and that anti-poverty programmes strengthen the internal market and internal buying power of people in Bolivia, and about the development of intra-Latin American trade, rather than Latin America's tradition of exporting raw materials to other parts of the world. The hon. Gentleman will recognise that a considerable body of opinion throughout Latin America is trying to develop the Latin American economy and internal trade. Bolivia's trade pattern is increasingly with Brazil and Argentina rather than with other parts of the world.

Mark Pritchard *rose—*

Jeremy Corbyn: I will give way once more, but I think the hon. Gentleman may be preparing to make a speech.

Mark Pritchard: Not at all. I am merely trying to be helpful. Every export that might be prevented could have an impact on British imports. Brazil is our biggest trading partner in Latin America, and any hint of trimming exports or imports would have an impact on both Brazilians and the United Kingdom.

Jeremy Corbyn: I do not know whether I am missing something here, but I have said nothing of the sort. I am not sure what the hon. Gentleman's point is. There is terrible poverty in Bolivia and in most Latin American countries. The whole political imperative and process of an anti-poverty strategy is to liberate people from the oppression and depression arising from poverty and from lack of opportunity, education and health care. We should be pleased to witness that, and to support it.

The underbelly of Latin America is poverty and oppression, and the human rights abuse that comes from that. Individual human rights—the right to vote, the right to free expression, the right to free organisation, the right to religious freedom—are obviously important and are enshrined in the universal declaration, but people have a right to be able to live where they are, free from poverty. For many, the only way out of poverty is to escape, and ones sees poor migrants leaving Guatemala, travelling through Mexico to try to get into the USA to survive, but being brutally oppressed at various points. The death rate among migrants is very high. There is a "fourth world" of migrant peoples, and we would do well to recognise that the way to prevent that is to encourage the economic development and anti-poverty programmes that are so important and exciting throughout much of Latin America.

I hope that the Minister will say that the Government take seriously our relations with Latin America, and that they are prepared, if necessary, to upgrade our diplomatic representation, and prepared to encourage DFID to become far more involved in Latin America.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): I understand why the hon. Gentleman has concentrated on Bolivia, but he has not said much about his old friend, President Chavez of Venezuela. Does he think that seizing assets by nationalisation, whether in Venezuela or Bolivia, will encourage investment in delivering mineral resources, which in turn benefit the people through trade and exports?

Jeremy Corbyn: I have spoken for 35 minutes, and the hon. Gentleman tempts me to speak for another 35 minutes about Venezuela.

Ms Abbott: Time does not permit my hon. Friend to expand on the glories and triumphs of President Chavez in Venezuela—*[Interruption.]* Others among us will do that. Our delegation to Bolivia was greatly aided by my hon. Friend's expert leadership and his fluent Spanish.

Jeremy Corbyn: I thank my hon. Friend for that kind intervention. I am tempted to speak at great length about Venezuela and other places, but I will not, save to say that any country has the right to take into public ownership resources, industries and services. That is what a sovereign nation can do. This country has done that. We have just taken several banks into public ownership. Even Conservative Members, including the hon. Member for The Wrekin (Mark Pritchard), could not bring themselves to vote against bringing banks into public ownership—*[Interruption.]* I was there, and I observed what was going on.

Mark Pritchard: The hon. Gentleman should be careful.

Jeremy Corbyn: I am being extremely careful, but I am sure of my facts.

President Chavez in Venezuela is taking some industries and services into public ownership—I understand that he is minded to take rice processing into public ownership—because he believes that his Government are being held hostage by the administration of those companies and the denial of food supplies. Some of us witnessed the same process against the Popular Unity Government in Chile in the 1970s. Governments have the right to do that.

We had discussions with Bolivia about its nationalisation programme, and about its wish to ensure, by agreement, open negotiation and public contract, exploitation and exploration of mineral resources. There is absolutely nothing wrong with that. Any country can do that if it wishes, and we must respect the sovereignty of any nation that wishes to take its own path to economic development.

These are exciting times in Latin America, and poverty can be conquered. For the first time, many people can see a pathway out of poverty. I hope that we will respect

[Jeremy Corbyn]

and support that process, and the cultural liberation that is taking place throughout Latin America, with an even-handed approach that ensures decent, fair and reasonable trade, and that we support the independence of every country in bringing that about. Opportunities exist for British companies in railway development, construction, high technology, machinery and tools, and so on. There are huge development programmes in Mexico and elsewhere in which we could and perhaps should be involved. There is nothing wrong with that, because that is reasonable and fair trade, but above all we must respect the integrity of the nations concerned, and their choice of pathway out of poverty.

Several hon. Members *rose—*

Mr. David Amess (in the Chair): Order. The winding-up speeches start in 21 minutes' time, so to be able to call all hon. Members who wish to speak, I ask for their co-operation in sharing out the time.

10.9 am

Mark Pritchard (The Wrekin) (Con): I shall try to keep my remarks to 20 minutes. I congratulate the hon. Member for Islington, North (Jeremy Corbyn) on initiating the debate, which is timely, and I thank him for his generosity in giving way so often. I also pay tribute to Baroness Gibson, Anne Gibson, in the other place, who chairs the all-party group on Latin America and does an excellent job in that role.

The hon. Gentleman, in his concluding remarks, mentioned the word "exploitation" and of course none of us in the House, whatever our political views, would want to see the exploitation of a single person in Latin America, but even if there has been exploitation by some Governments and some states in Latin America, that should not be replaced by exploitation involving the private sector. We need an end to exploitation from whatever quarter.

That leads me to renationalisation. My hon. Friend the Member for Cotswold (Mr. Clifton-Brown) is right to say that renationalisation of assets is not only illegal in most cases; it also sends a negative message with regard to future investment. It creates a negative investment climate that international observers, with many places to shop around, might decide to avoid and which would put off would-be investors. The hon. Member for Islington, North himself said that in relation to his trip to Bolivia. There is a big unanswered question in relation to future exploration. It is okay to renationalise assets, but what do people do once they have them? That applies to many countries, not only in Latin America but across the world, once they have taken back state assets. One might even argue that it even applies in this country more recently. What do people do once they have such assets, and how is future investment encouraged?

Mr. Clifton-Brown: The hon. Member for Islington, North (Jeremy Corbyn) seemed to think that the whole nationalisation debate was about a virility symbol and whether sovereign countries have the right to take those assets. Of course they have that right. The question is whether it is wise to deploy it. If the private sector sees assets being taken with no money being paid for them, that affects not only the minerals sector, which is directly affected, but the whole economy, because other countries will not want to invest in those economies and therefore the standard of living of those peoples suffers as a result.

Mark Pritchard: My hon. Friend makes an excellent point, as he always does. The other relevant point is that there is a direct impact on constituents in Islington, Shropshire and everywhere else represented here, because there are pension investments in those countries and for every industry that is nationalised, there is a direct impact on pension funds in the City of London as well. It is a very worrying step that President Chavez has taken deciding to move into food production and food supply and, as we have heard, to renationalise rice production in his country.

That leads me to land reform which, of course, is needed in Latin America—I accept that. Redistribution of land is needed, but it must be both legal and fair. A sensible period of consultation is needed with the people whose land will perhaps be taken back to the state. A right of appeal is also needed. So often in Latin America we have not seen that. We have seen just the heavy hand of the state moving in and the state saying, "We're taking land back from you." There is no consultation or compensation. It is illegal most of the time and it certainly is not fair. Again, that sends the wrong message about Latin America as a continent. Unfortunately, there is a negative halo from certain countries in Latin America, which impacts on the whole continent when other countries are wanting to do the right thing, even with land redistribution and—dare I say it?—renationalisation.

The same applies to free trade. Some countries want global free trade. Some want regional free trade and, indeed, free trade with north America. If those countries, which have elected Governments, want to have a free trade agreement with north America, they should be entitled to do so. They should not have to deal with meddling, either political or through other, more sinister means, by countries that take a different ideological view, as that is unsettling and destabilising for the region. If countries such as Colombia and Peru want to trade with north America, they should be entitled to do so. That is not to suggest that they do not want to trade internally, within the borders of Latin America. I believe that they want to do that as well, but if they want to do both, they should be able to do so without having political machinations set upon them by neighbouring nations or others on the continent.

That is why it is important, as we have heard today—I hope that the Minister will note this—that there is cross-party consensus on real concerns about UK diplomatic representation in Latin America. It was a backward step for the Paraguay embassy to close. Paraguay is a huge country; Argentina is large as well, and to try to run operations in both countries from Buenos Aires is very difficult. If I were, for example, a Paraguayan Transport Minister wanting to construct three new bridges and there were a French embassy and a Germany embassy but no British embassy and a trade counsellor in those embassies, who would I be more likely to call and want to nip round to see to talk about that investment project? From a political, diplomatic and trade point of view, the United Kingdom is losing out for every diplomatic mission that it closes around the world, including in Latin America.

It was rather sad that when the Serious Organised Crime Agency took over from Her Majesty's Revenue and Customs, it took a different view of the role of drug liaison officers working with Governments in Latin America. I hope that the Minister will speak to her counterparts in the Home Office to ask this question: given that Latin America is still one of the major providers of drugs that end up on our streets and impact on all our communities, and given that there has been a change since SOCA replaced HMRC on this important issue, are we confident that the current level of drug liaison officer support for our embassies and for Governments in Latin America is adequate? I am conscious of time, but I want to touch on two more issues. What would be helpful to you, Mr. Amess? You saw how many people rose to their feet wishing to speak.

Mr. David Amess (in the Chair): Certainly two other hon. Members wish to speak, and there are just 13 minutes left until the winding-up speeches.

Mark Pritchard: To be helpful, Mr. Amess, I shall speak for just three more minutes, first on animal conservation and secondly on human rights. I hope that the Brazilian Government will consider illegal logging. We have seen the demise of the giant otter, squirrel monkeys and macaws. There is also the issue of the illegal shipping of mahogany. According to *Nature Conservancy*, only 7 per cent. of Brazil's Atlantic forest remains. Excessive commercial ranching causes deforestation. I am very concerned about illegal logging in Peru, which I visited a couple of years ago. I am especially concerned about the Tahuamanu rain forest. I hope that hon. Members will join me in supporting the WWF campaign to save the declining turtle populations in Colombia, Guyana, Ecuador and Peru. In Chile, the kodkod, one of Latin America's smallest wild cats, has become endangered, as its habitat is being destroyed.

I hope that the Government will consider the pet trade in this country. I introduced two Bills on the issue in this Parliament, but they were rejected by the Government. One was on the sale of endangered animals on the internet. Endangered animals from the countries that we are discussing are still being sold on the internet in this country and being homed and housed in this country, which is wrong. The Government also rejected my Bill on the sale of primates as pets. Some 3,000 primates are being kept as pets in this country. Many of them were sourced from Latin America. Latin American countries, along with the UK Government, need to do far more if they care about their environment and habitats. Eco-tourism may be a motivation: why should people come to the diminished rain forests—albeit that some of them are saved—if there is no wildlife to see there?

Human rights are improving in some countries, for example, Colombia. I welcome the decline in the number of homicides and kidnappings in Colombia and in the homicides of union leaders. More needs to be done and each killing is unacceptable, but I want to put on the record my recognition of the efforts of the Government of President Uribe. Cuba has not been mentioned. One could argue that it is not really part of Latin America, but it is for the sake of the work of Amnesty International and Christian Solidarity Worldwide. I hope that the Foreign Office will look urgently into the case of Church leader Pastor Robert Rodriguez—previously the national president of the Interdenominational Fellowship of Evangelical Pastors and Ministers in Cuba—whose trial was due to be held in the past 72 hours. I believe that the charges against him are trumped up and that there should be a fair trial. If Raul Castro is serious about changing Cuba, one of the best things that he can do is allow freedom of speech and freedom of religion and set an example by allowing a fair trial for this pastor, who is seriously ill in prison. All that Pastor Rodriguez does is preach the gospel, serve the poor and help his community.

10.20 am

Colin Burgon (Elmet) (Lab): I congratulate my hon. Friend the Member for Islington, North (Jeremy Corbyn), who has few peers in Parliament in terms of his commitment to the people of Latin America.

What is so interesting about Latin America is that it was the first continent to have neo-liberalism imposed on it, beginning with the coup in Chile on 11 September 1973. It is heartening that the mass of people on whom the neo-liberal experiment has been tried have rejected it, and we can draw some lessons from that as we face the current economic crisis. I will avoid the temptation to praise the 50 years of the Cuban revolution and to be slightly critical of our policy in Colombia, because—surprise, surprise—I want to deal mainly with the Bolivarian Republic of Venezuela. Venezuela is a pretty inoffensive country; indeed, the only two facts that I knew about it before I became involved were that it quite often won the Miss World competition and that it never qualified for the World cup. However, I have now dug a bit deeper, and it was a question to our former Prime Minister that got me really interested in Venezuela.

As I said, Venezuela is a pretty inoffensive country. We have never been at war with it; in fact, Venezuelans feel historical connections with Britain because of our support for them in the war of independence and because Bolivar lived in London for a time. However, if I were a Venezuelan—certainly a supporter of the majority—I would be slightly uneasy about the British Government's stance towards Venezuela in the past few years.

Let me begin with former Prime Minister Blair's reply to my question. He said:

> "It is rather important that the Government of Venezuela realise that if they want to be respected members of the international community, they should abide by the rules of the international community."—[*Official Report*, 8 February 2006; Vol. 442, c. 873.]

There was no substantiation of those comments, which were not well received in Venezuela. In addition, a Foreign Office Minister was—how can I put this diplomatically?—ambivalent about the coup in Venezuela. I will push it no further than that. We then have the dodgy statistics. Another previous Foreign Office Minister—the Minister's predecessor—used a series of statistics from something called Transparency International in Venezuela to substantiate claims of corruption there. Unfortunately, some of the personnel who staffed Transparency International in Venezuela took part in the coup against Chavez. The organisation is hardly independent, and I urge Ministers to stop using such dodgy statistics.

[Colin Burgon]

It is important to address some of the misinformation that the international and British media have perpetuated about Chavez and the process of change in Venezuela. It is worth knowing that there were no halcyon days of neo-liberalism, when private companies were rampant across Latin America. Venezuela tried the neo-liberal model, but it led to deep inequality and poverty, despite the country's vast potential wealth. I have checked the figures, and more than 50 per cent. of the population lived in poverty, with 20 per cent. in extreme poverty. One in five children suffered from malnutrition. In 1995—before Chavez—the figures peaked, with 75 per cent. of the population living in poverty. The experiment with neo-liberalism and free-market capitalism was not a success, which explains the victory of Chavez in the late 1990s.

David Taylor: My hon. Friend quoted the previous Prime Minister's reply to his question, but he has raised questions about the weakness of neo-liberalism much more recently with the current Prime Minister. When he did so, was he disappointed by the barracking and chanting from members of Her Majesty's official Opposition, who are clearly unreconstructed disciples of neo-liberalism and just keeping their heads down for the moment?

Colin Burgon: No, I believe in the class struggle, so if my opponents shout at me and carry on, I see it as part of that struggle. I have no problem with that—

Mark Pritchard: We never said a thing.

Colin Burgon: I will not respond to that.

There are some other things that I need to put on the record. For ordinary Venezuelans, progress under Chavez has been quite impressive. More than 2.5 million people have been lifted out of poverty. Even though oil prices were high at the time, the former Governments did not attack poverty in any way whatever.

Thanks to the Barrio Adentro service, millions of Venezuelans who did not have access to any kind of health service now have access to doctors for the first time in their lives. As a result—this is just one statistic—there has been a massive decrease in infant mortality. Another important point—hon. Members who went to Bolivia will realise the importance of this—is that 6 million Venezuelans have been given access to clean water since Chavez came to power. Educational programmes have also drawn millions of people into schools and universities, which did not happen before.

I am pleased to say that the minimum wage in Venezuela is the highest in Latin America, at about $370. An additional 900,000 Venezuelans are now entitled to a pension and to social security benefits, which are set at the same level as the minimum wage. One of the big battles that Chavez faces is with media. The international and domestic media are incredibly hostile to him, but I want to deal with the British press, because that is what we are more concerned with. Mark Twain said that if

"you don't read the newspaper, you are uninformed; if you do read the newspaper, you are misinformed",

and that is certainly the case with the British press. In the lead-up to the recent Venezuelan elections, an editorial in *The Guardian* claimed that Venezuela had an "authoritarian government". *The Independent* falsely claimed that Chavez

"is threatening to jail a popular opposition leader".

The Daily Telegraph explained support for Chavez by claiming—this is a really good one—that

"thousands of poverty stricken 'supporters' have allegedly been bribed with alcohol and cash".

The Times quoted Chavez's ex-partner, Marisabel Rodriguez—a candidate for the Opposition—as saying:

"If he is not a dictator, at least he seems it",

which is a really penetrating analysis.

Worse, however, is the role of what we would class as the liberal press. *The Guardian* has spent money keeping correspondent Rory Carroll in Caracas. He had a full-page article extolling the virtues of Chavez's ex-wife, Marisabel Rodriguez, but she finished up with 1.7 per cent. of the vote in the election. The statement that the British press is unbalanced can therefore be substantiated.

On international trade, the Government can and should improve our relations with Venezuela. Countries such as France, Spain and Portugal have certainly taken the opportunity to sign deals with Venezuela. I am conscious of the time and of the need for the Minister to reply. What I am really asking for is a cool, dispassionate acknowledgment of the great social progress that has been made in Venezuela, which is substantiated by some of the facts that I have given. I ask the Minister to make sure that we do not engage in, or succumb to, the kind of misinformation that we have experienced over the past few years. Instead, we should build a constructive and open dialogue with the people of Venezuela and their leader, Hugo Chavez.

10.29 am

Jo Swinson (East Dunbartonshire) (LD): I, too, congratulate the hon. Member for Islington, North (Jeremy Corbyn) on securing the debate. One and a half hours seems a short time in which to cover thoroughly the many issues affecting a huge continent, but it is good that in this short debate we have been able to raise many aspects of the things that affect the continent and the UK's relations with it.

The debate is particularly important because in foreign policy terms it is often easy to overlook a region such as Latin America when the daily news headlines are about the latest crisis between Israel and Palestine and the middle east, continuing threats concerning Iran and its potential nuclear capability, geopolitical changes involving Russia and China, and our military action in Iraq and Afghanistan. Often Latin America is not at the top of the agenda, which is why it is important that Parliament should find the time to discuss the issues. I was, like other hon. Members, particularly intrigued to hear from the hon. Member for Islington, North because of his more than a quarter of a century of interest in the issue, and the fact that he has great knowledge and expertise, having made many visits to Latin America. It was fascinating as well to hear about the recent parliamentary delegation to Bolivia. I feel that when one has visited a place there is additional authenticity when one talks about it, so it has been particularly interesting to hear those views.

Why should Latin America matter to the UK? We have heard a host of reasons, such as climate change and the environment. Apparently more than 20 per cent. of the world's oxygen is produced by the Amazon rain forest, which is sometimes described as the lungs of the earth. Deforestation is a big and pressing issue and it accounts for a large percentage of the world's carbon dioxide emissions. It will grow in importance in the coming years. Indeed, Latin America's global influence is growing. Brazil, in particular, looks as if it will become a regional superpower. That will lead, no doubt, to discussions in other international bodies. There is already, and has been for years, much discussion about Security Council representation at the UN, and which countries should be entitled to permanent seats. The UK will have to be involved in the relevant negotiations. The hon. Member for The Wrekin (Mark Pritchard) highlighted the political consequences of closing UK missions in Latin American countries, given that the area will grow in global importance.

Other reasons why Latin America matters to us are the drugs trade—most of the cocaine that ends up in the streets of Britain comes from Latin America—and poverty and human rights: problems which, even though they are on the other side of the world and not on our doorstep, should concern all parliamentarians.

David Taylor: Would the hon. Lady include in her reference to human rights the position of women in Latin America, and specifically in Guatemala? I secured a debate on that some time ago, and have asked questions about it more recently. Women in Guatemala are subject to horrific levels of domestic and street violence, rape and murder, and more needs to be done by countries such as ours to promote human rights, particularly for indigenous women, and to help them get access to the Guatemalan system of justice. The position of women there is bleak and dire.

Jo Swinson: I thank the hon. Gentleman for that intervention. It is interesting to hear what he says about Guatemala, which I confess is a country I do not know a huge amount about. It is unfortunate that often in countries where human rights abuses are rife, women suffer the brunt of them. It is certainly important that our Government should do all they can to encourage the promotion of human rights in Guatemala and other countries.

I want to go into more detail about climate change and deforestation. It is staggering to think that nearly 50 per cent. of Latin America—45.9 per cent, to be exact—is forest. That is a higher proportion than occurs in any other region of the world, and, as I mentioned, 20 to 25 per cent. of global carbon emissions come from deforestation there. One might think that avoiding deforestation should be a quick win. It would not require a massive change in technology. However, it is proving very difficult.

I am a member of the Environmental Audit Committee, which is conducting an inquiry on deforestation. We recently visited the Congo basin in Cameroon, which is of course on a different continent from the one we are discussing, but gives rise to similar issues. It is difficult for the world community to get the right balance between managing to avoid deforestation while maintaining the rights of local indigenous people who live in the forest. We are not yet anywhere near a robust payment system for the avoidance of deforestation. Brazil announced plans a couple of months ago to reduce deforestation by 70 per cent. in the next 10 years, but that target is not necessarily as high as is needed. Greenpeace Brazil has been critical of it in relation to the level of change that is needed. Indeed, although deforestation had been decreasing in the four previous years, last year it was on the rise again.

Biofuels present another environmental issue. There can be advantages to them in reducing deforestation—Brazil produces a huge amount of sugar cane ethanol, which can be a quite good, sustainable biofuel—but when land, and particularly forests, are cleared to grow biofuel crops any environmental benefit is lost. That is why the Environmental Audit Committee, in a report on the issue, called for the Government to halt the rush towards increasing biofuel targets in Europe. The sustainability guarantees were not in place.

Jeremy Corbyn: The hon. Lady may know that one of the problems is that the growth in maize-based ethanol has forced up the price of maize, and thus tortillas, which are the only sustainable form of food for many poor people, particularly in central America. Essentially, those people are starving to feed American gas guzzlers.

Jo Swinson: Indeed; the hon. Gentleman raises a very important point. The UN special rapporteur on the right to food called the growth in biofuels "a crime against humanity", which is pretty strong and stark language but certainly highlights the scale of the problem. There are many unintended consequences from the production of biofuels, although it may be pursued with good intentions. We need sustainability guarantees, and fortunately there have been recent moves by the Government to establish those.

The cocaine trade in the UK is estimated to be worth about £6.6 billion. Much of that comes from Latin America and in particular Colombia. There are British Government efforts to reduce drug trafficking, of course. I had the advantage last summer, while I was in Cuba, of meeting some Navy officials from our ship Wave Ruler, which is one of the British vessels that patrol in the Latin America region. As well as providing assistance when hurricanes strike, it has a counter-narcotics remit. Those officials were engaged in an interesting conference with Jamaican colleagues about successful strategies.

I note that some good work is happening, but I hope that the Government will recognise that we must fight a continuing battle. While we tackle demand on the streets in the UK we must also tackle the supply side from Latin America. I am sure many hon. Members will have seen the information campaign "Frank" on the television, and it is certainly welcome. However, as well as highlighting the social and health problems of cocaine use, it is important to get across the message about the darker side of funding the trade, such as terrorism, kidnapping and violence.

Hon. Members made some interesting contributions about economic development in Latin America—particularly about improved quality of life in Venezuela, such as better water supply, and a narrowing of the equality gap. However, there is still huge inequality in Latin America. In Brazil the richest 10 per cent. earn 44.8 per cent. of the income, and the poorest 10 per

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cent. earn just 0.9 per cent. There is a huge equality gap. Many Latin American countries are seen as being in the middle income tier, but that masks the huge poverty that exists there. There is thus still a role for the Department for International Development, and the Minister has a background in that Department to bring to her consideration of the issue.

Finally, on the issue of human rights, the hon. Members for Islington, North and for Hackney, North and Stoke Newington (Ms Abbott) made an important point: we may or may not agree with the ideological standpoint of Hugo Chavez or Evo Morales; none the less, their very election, as members of the indigenous population of their countries, is a great step forward. There are still many human rights challenges in Latin America, and in the context of the support that we give to the Colombian military, in particular, I should like the Government to do more. A recent report by the Select Committee on Foreign Affairs found that there was widespread and systematic killing of civilians. If we are supporting the training of the Colombian military—if that is what is going on—it needs to be rethought, because there seems not to be an appropriate guarantee that those human rights are being protected. That is one area where we clearly have a little leverage when calling for an improvement in human rights there.

I visited Cuba last year. Given the change of Administration in the United States, I hope that there is cause for optimism in Cuba. I was there before Obama had been elected, but I found a huge amount of optimism in the country. The Cuban people want good relations with the rest of the world. I believe that the internet could be a great leveller in Cuba, because although the country has tried to segregate Cuban and non-Cuban—whether through finance, with a different currency, or through where people are allowed to go—ultimately they cannot keep the Cuban population away from the outside world. The Cubans will eventually find out what they have been missing. It has been predicted for a long time that change will come.

Colin Burgon: Will the hon. Lady give way?

Jo Swinson: I am sorry, but I have to finish in order to give other speakers the chance to sum up for their parties.

I believe that there is cause for optimism, as all Members have said, and I hope that it will not be long before we revisit the issue.

10.41 am

Mr. David Lidington (Aylesbury) (Con): I congratulate the hon. Member for Islington, North (Jeremy Corbyn) on securing this debate. He has long championed the cause of Parliament taking a greater interest than we tend to do in the affairs of this region. I share his regret that we rarely have the opportunity to debate a part of the world whose economy, and whose importance in environmental matters and in efforts to alleviate the impact of climate change, will be of increasing importance as the century progresses.

I enjoyed the other speeches made this morning, particularly that of the hon. Member for Elmet (Colin Burgon). Indeed, I was waiting for the cry, "La !uta continua", at the end of his speech. I was left with the clear impression that, metaphorically at least, he has a copy of the Athena poster of Che Guevara still blu-tacked to his bedroom wall, and that even now he is probably searching to identify who within the current Labour party leadership is the new Chavez, Ortega or perhaps Eva Peron, and thus able to take over the leadership of his party and take it in a direction that would be more to his taste.

I do not have time to dwell on more than a few of the important matters that define relations between the United Kingdom and the various countries of Latin America, but may I begin by expressing agreement with the hon. Member for Islington, North and my hon. Friend the Member for The Wrekin (Mark Pritchard) about the reduction in British representation in that part of the world? I have long argued that Britain should give a higher priority to our relations with the countries of the middle east, but the overall economy of Latin America compared with that of middle eastern countries shows that Latin America is the emerging giant of the 21st century. However, we have no posts in El Salvador, Honduras, Nicaragua, Panama, Paraguay or Surinam; in other countries—for example, in Uruguay—there is still British representation, but it has been cut to a minimal level. That does not go unnoticed by the Governments or the industrial and commercial leaders of those countries. As a result, we are missing out on opportunities for trade and for increased co-operation in action against narcotics, climate change and conservation measures, which were alluded to by my hon. Friend the Member for The Wrekin.

We also have wonderful historic ties with that part of the world. When one dips into the history of Latin America, one can find the graves of British soldiers on every battlefield of the wars of liberation. To this day, there are strong ties of affection and friendship between our country and every part of Latin America. For example, although our political relationship with Venezuela has been difficult in recent years, I was delighted to read that Gustavo Dudamel and the Simon Bolivar youth orchestra of Venezuela will be taking up a temporary residency on the south bank later this year. That will be a truly exciting cultural event for London and the United Kingdom. I hope that, in a small way, that will help improve mutual understanding and achieve better relations between the two countries. In the context of bilateral relations, on behalf of my party I welcome the forthcoming state visit by the President of Mexico. I hope that that visit and the attendance of the leaders of Argentina and Brazil at the forthcoming G20 summit in London will provide an opportunity to strengthen those relationships.

I turn to the prospects for improved trade between the European Union and the countries of Latin America. Three sets of negotiations are in progress at the moment. One is between the EU and Mercosur, another is with the countries of central America, and the third is with the Andean community. The Mercosur negotiations have been on ice since 2004. There are signs that Argentina is moving towards a compromise over some of the outstanding Doha-round issues. Does the Minister believe that there is a prospect of putting new life into the EU-Mercosur negotiations? Will she say whether the Falkland Islands' economic ties to the continent of south America are likely to be a continuing problem in the negotiations?

Mr. Clifton-Brown: I am grateful to my hon. Friend for giving way, as he has so little time. Does he not agree that the EU-south American ministerial meeting in May this year in Prague will be an ideal opportunity to make progress on that front? Will he press the Minister to say what progress can be made, particularly in the Doha round, which will benefit disproportionately some of the poorer countries of south America?

Mr. Lidington: My hon. Friend makes a strong point, and I hope that if the Minister does not have time to reply in detail she will write to Members.

I turn to the negotiations with central America and the Andean countries. Lady Ashton, the trade commissioner in Brussels, has said that she hopes for a successful conclusion to both sets of talks this year. Do the Government consider that to be an attainable timetable? In the context of the two sets of negotiations, how are the Government addressing the concerns expressed by some of the African, Caribbean and Pacific counties, particularly Guyana, about the impact of a wider free trade agreement between Europe and the Latin American nations on the protected access enjoyed by the countries of the Caribbean, particularly for their bananas, sugar and rum? Exports from those small, vulnerable Caribbean economies are of enormous importance to the Commonwealth nations, and the Minister needs to make it clear where the Government stand.

Narcotics are still a huge problem. There is no doubt that smugglers and traffickers are extremely well organised and are willing to use ruthless violence to defend their interests, and their tentacles spread across the Atlantic. Indeed, reports in today's press suggest that yesterday's assassination of the President of Guinea-Bissau may be linked to the narcotics trade between south America and west Africa. We know that the Government are putting a lot of work into assisting the Colombian authorities to combat drug trafficking.

Will the Minister say whether the Government and the Serious Organised Crime Agency are making efforts to reach out to the Government of Venezuela; and, if so, what response they have had from the Venezuelan authorities? A report in *The Daily Telegraph* in June last year cited senior British drug officials as saying that more than half of all cocaine reaching the United Kingdom came via Venezuela, which was often used as a transit point before the drugs went on to west Africa and then Europe. Is that the Government's assessment of how that trade is carried on, and if so, what representations are they making to President Chavez about action that surely is in the interests of both our countries?

Finally, I urge the Government to continue to take the issue of human rights seriously; to urge serious reform upon Cuba; to stick to their guns when standing up to electoral malpractice, as in Nicaragua; to congratulate and work with countries that challenge the culture of impunity, as Argentina has begun to do in recent years, and to speak robustly to friendly countries, such as Colombia, which has been struggling to exist as a democratic nation against an utterly ruthless, well-organised and drug-financed terrorist group. Having said that, however, it is undoubtedly true that real issues remain around the persecution of trades unionists and human rights defenders in that country. Sometimes, the promises and good will expressed by the Colombian Government are not translated into practical effect in improved human rights at grass-roots level. I hope that the Minister will continue to give those issues a high priority in the formulation of Government policy.

10.51 am

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Gillian Merron): I congratulate my hon. Friend the Member for Islington, North (Jeremy Corbyn) on securing today's debate, which provides hon. Members with a welcome opportunity to discuss the UK's relationship with Latin American countries and the importance of the region as a whole. In the short time available to me, I shall concentrate on some of the main headlines, but I am more than happy to write to, or meet, hon. Members to discuss the matters raised.

A strong Latin America is in everyone's interests—both the millions who live there and the people of Britain. The Government regard our relationship with the region as important, not least because of its contribution, which we want to see as a positive one, to the many global challenges that we share, and which we have heard about today, such as sustainable development, climate change, international crime, including the supply of drugs, respect for human rights and poverty and inequality. We are working closely with the region as we tackle those shared challenges. The visit by the Inter-Parliamentary Union to Bolivia unearthed some of the excellent work being done. For example, 35 royal, ministerial, senior official and parliamentary visits have been made to and from the region since the start of 2008. That is evidence of the interest that we take in the region.

My hon. Friend raised some questions about the Foreign and Commonwealth Office's strategy paper, "Latin America 2020", which sought to demonstrate why Latin America matters to the UK and the world. The issues that it discussed remain relevant. However, since the strategy was issued, we have developed a whole new approach, which provides greater clarity on our global role and how we follow through our strategic priorities. Many of those priorities are relevant to Latin America: for example, the prevention and resolution of conflict; the promotion of a low-carbon, high-growth global economy; the development of effective international institutions; and building respect for good governance and human rights, for which hon. Members rightly asked. Our essential goals apply across the Latin American region and help to support the British economy, British nationals abroad and managed migration for Britain.

Mr. Clifton-Brown: Of the 20 generally recognised Latin American countries, the UK runs a balance-of-trade deficit with 11. Does the Minister agree that the scope for greater trade with south America is huge? What extra efforts can the Government make in that respect?

Gillian Merron: I would certainly agree. My visit to Brazil showed me those great opportunities to which hon. Members have referred. All our posts in the region have very clear business plans. Cross-Whitehall mechanisms exist, especially for our Brazil and Mexico strategies, but we can do more, and UK Trade & Investment plays a big role in that.

We are very engaged with Bolivia, and I am pleased that the delegation got so much out of its visit. I look forward to meeting its members to discuss in more

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detail their views and perhaps how we can move forward. We are fully supportive of the democratically elected Bolivian Government, but as hon. Members saw, fundamental political differences remain between factions in Bolivia, which poses many challenges. It is important for the country's future that their Government and Opposition continue to be in dialogue, and I am glad that the referendum was carried out well and peacefully. I thank hon. Friends for their generous comments about the role played by our ambassador in the process of national dialogue; he remains available if asked to act as an international facilitator. My hon. Friend the Member for Elmet (Colin Burgon) raised the issue of Venezuela; as he knows, we value our relations with that country.

Ms Abbott: Before we leave the subject of Bolivia, will the Minister pass on to Home Office Ministers the concern that we heard in all quarters in Bolivia about the introduction of a visa regime for that country? There is a feeling that not enough consultation has been carried out, and there is great unhappiness.

Gillian Merron: I am happy to draw my hon. Friend's comments to the attention of the Home Office, but there was considerable discussion of the visa waiver test. On Venezuela, many discussions were held on how we can ensure that countries fulfil their obligations and that we are satisfied that the right level of visa security is applied. I am sure that my hon. Friend the Member for Elmet could apprise her of all that.

I want to emphasise, as I have done before, how much we welcome President Chavez's emphasis on policies to help the poorest and most vulnerable people. We engage with the Administration on the many social justice initiatives, as my hon. Friend the Member for Elmet will be aware. We have also tackled drug trafficking and corruption; have promoted and protected British business; and we look after Britons in need of consular access. We work very closely, and will continue to do so, with the Venezuelan authorities. He also asked about information and misinformation. I shall continue to draw information from a broad range of sources, including non-governmental organisations and hon. Members.

I would like to address a few key points about Foreign Office post closures. Posts in the region have indeed been closed—Honduras, El Salvador, Nicaragua and Paraguay—but there have been no closures since 2005. Those closures followed the publication of the December 2003 White Paper, when the FCO needed to undertake a review of our overseas network, as I am sure that hon. Members realise, to ensure that we used our resources to best effect. I was interested in Opposition Members' comments on post closures, and I am sure that they will want to clarify whether they will pursue that spending commitment, should they ever be in a position to do so.

We have appointed British consuls in each of countries where posts were closed to ensure continued consular cover. I do not feel that we suffer compared with EU missions; we have only a slightly smaller number than comparable countries. Perhaps I can clarify for the benefit of the hon. Member for Panama City—the hon. Member for Cotswold (Mr. Clifton-Brown)—that we still have an embassy there. We continue to use new and flexible ways of providing the necessary services to develop regional networks, and at the core of that work is our aim to ensure that our relationships with the region remain close and productive. Tackling poverty and inequality is crucial to the work of the Department for International Development. Our DFID Latin American spend has increased, and the new approaches have been widely welcomed by the Catholic Fund for Overseas Development, Oxfam and other NGOs.

This has been a useful debate. I have been unable to refer to many issues, but I am glad to reassure all hon. Members that we regard our relationship with Latin America as crucial and developing, and I look forward to working with them in pursuing our objectives.

Primary School Places (London)

11 am

Mr. David Amess (in the Chair): Before we begin the next debate on primary school places in London, let me say that, because this is specifically a local debate, the wind-ups will begin at 12.15 rather than at 12 o'clock to allow as many hon. Members as possible to participate.

Mr. Edward Davey (Kingston and Surbiton) (LD): I am extremely grateful to Mr. Speaker for granting this debate, which is the first in this House to draw attention to the massive worry of parents across the capital: where, or even whether, their four-year-olds will get a school place in their first term of primary education. It is no exaggeration to say that primary education in London faces a crisis—if it is not already in one—with a huge increase in the number of young children needing primary school places that simply do not yet exist.

London Councils has given me new figures for this debate. It surveyed all London boroughs on this subject during October and November last year. Its figures show that over the next six years, if we do not act now, we could see nearly 12,000 five-year-olds without a primary school place and more than 15,000 children being educated in temporary classrooms. Given that it is illegal for a local authority not to provide a school place for a child, that is extremely serious. Yet I am told that already at least one London borough has a significant number of five-year-olds who have been without a reception class place since September 2008. If that is true, it is a scandal. However, the figures from London Councils show that that could be the tip of the iceberg. Worse still, I have evidence that since London Councils did its own data research at the end of last year, the true situation may be even worse. Boroughs such as Kingston, Hounslow and Merton have told me that their current predictions have increased substantially even since last autumn. The numbers seem truly massive.

If we are to avoid 12,000 or more five-year-olds not having a primary school place, we have to adopt one of the following options: build new, permanent classrooms as soon as possible; expand some schools and build new ones; or rely on temporary classrooms into the foreseeable future. Another option would be to allow infant class sizes to rise above 30, in breach of the current law, thereby breaking a key Labour election pledge from 1997. Clearly, only the first option of permanent solutions is acceptable. Our children deserve no less, and their parents, rightly, will demand no less.

In the debate, I will seek to show that there is a massive shortage of primary school places across London, beginning with the problems that my own constituents face. Then I will suggest why such a situation has arisen and why the Minister's answer today is likely to be out of date and completely inaccurate. Finally, I will set out a range of things that I should like the Minister to do after this debate, including, above all, pledging to support financially any London borough that can show that it has a genuine problem.

I first learned of the problem from parents in my own constituency in the royal borough of Kingston. I will dwell on their experience for a while because I believe that it is instructive for the rest of London. I remember an advice surgery last year when I was faced with a large delegation of parents wanting my help to press the council. I was particularly surprised because the parents were worried about primary school places, which had never happened before during my time as an MP. Previously, any problems with school places had always concerned secondary schooling. I agreed to take up their fight. I met council officers and councillors. I wrote letters, asked lots of parliamentary questions, met larger groups of parents and lobbied the council again. Eventually, thanks to some fantastic efforts by schools, governors, council officers and councillors, seven temporary classrooms were provided with seven "bulge" classes. Almost all parents received an offer of a school place at one of their three preferred schools. Although there was a satisfactory outcome, it was not without delay, great anxiety and worry for all the parents concerned.

During that period, the council carefully examined the whole process. It considered how the forecasts of reception class demand were made. In Kingston's case, as with most other London boroughs, it used figures provided by the Greater London authority. Then it reviewed the timetable for the application process for parents, and other issues such as whether this was a blip or a trend in demand, and what the implications for secondary school places might be in due course. Changes that parents had suggested were made in Kingston. For example, the timetable for applications was brought forward.

I turn now to the position in November 2008. From September, Kingston predicted that there would be 150 more five-year-olds than it had permanent places for, so it proposed five new temporary classrooms—five extra bulge classes—to accommodate them. Parents were being engaged earlier in the process; however, that was producing concerns from them much earlier, too. Some parents felt that the five extra bulge classes were not at the right schools. Others felt that an extra five classes would not be enough—a view that I tended to share and which turned out to be the case.

Last Friday, Kingston council announced five additional bulge classes—a further five temporary classrooms—bringing the total up to 10 for the 300 additional five-year-olds it is now thought that we need to educate from September 2009. I am glad to say that such classes are largely at the schools that concerned parents had wanted, and that I had pressed the council for. I am told that a very high percentage of parents will get offers of places at one of their three preferred schools. None the less, a lot of work still needs to be done and many parents remain worried, with plenty of questions. Unlike last year, when quick decisions had to be made in April, May and June, the key decisions this year appear to have been reached by the end of February.

It is clear that we cannot go on like this. Kingston council has assured me that it will look for permanent solutions this year, taking into account its new, much higher predictions of demand. That requires its having a statutory consultation on increasing the number of permanent places at existing schools and running competitions for the two new primary schools it predicts Kingston will need. There will be a total of 13 new forms of entry by 2012—a massive 25 per cent. rise in capacity.

Kingston wants to run the statutory consultation this year, so that it can start to build new permanent classrooms as soon as possible to avoid temporary classrooms for many more years. I should like it to run the consultation

[Mr. Edward Davey]

this year, because there are real options on sites in central Surbiton, in which demand for extra places is more acute, and because the taxpayer can benefit from the lower prices for land and material produced by the recession.

However, I have discovered a problem that will affect every London borough grappling with the issue, and I need the Minister to address it today. If she cannot do so in her speech, I hope that she will follow it up in writing soon. It relates to her Department's guidance on the School Organisation Unit website on how a local authority should carry out such a statutory consultation for increasing permanent school places. Paragraph 70 of guidance says:

"Proposals should not be approved conditionally upon funding being made available."

My reading of that paragraph and others in the guidance is that the council will need certainty regarding the funding of new buildings before it can even start any statutory consultation. Will the Minister confirm that position, because although councils such as Kingston can undertake informal consultations on school expansion plans, they cannot start statutory consultations unless and until they have satisfied themselves that the funding for those extra permanent places is secured.

Sarah Teather (Brent, East) (LD): I have encountered the story that my hon. Friend describes in Brent. We need an extra six forms of entry to deal with the increased capacity. We currently have 44 children without a primary school place. As for funding, is it not also true that the primary capital programme is not targeted at increasing capacity, but at improving school buildings? Therefore, it will never deal with the problem that he describes.

Mr. Davey: My hon. Friend is right, and I am disturbed to hear about what is clearly a challenging situation for the local authority in Brent. It will need some support from the Department for Children, Schools and Families. She is also right that many local authorities are having to use modernisation funds. They are supposed to be used for developing and improving information and communication technology in existing schools, but they are being used to provide new places. That is not what the Government intended and not what the money was for, but local authorities are given no choice because they do not have the cash.

We need clarity from the Government on statutory consultation. Funding needs to be in place before the statutory consultation can take place, but given the size and urgency of London's problems, Ministers need to act very quickly—action within the next two months might just be fast enough. If councils are to stand any chance of getting new permanent classes and schools ready for September 2010 or September 2011, they need ministerial decisions on financial support rapidly. Without those, councils can at best consult only on small-scale, partial and inadequate plans that they might just be able to afford from their own finances. Will the Minister address that problem in relation to all London boroughs?

My information for this debate essentially comes from London Councils and other published data on birth rates. It suggests that many London boroughs are in the same pickle. London Councils tells me that 25 out of the 33 boroughs are facing capacity and capital funding problems at primary level—17 outer-London boroughs and 8 inner boroughs have reported problems. Already, at least 12 London boroughs are using large numbers of temporary classrooms. Enfield and Merton have predicted that more than 3,000 reception-aged children will be taught in temporary classrooms between now and 2014. Kingston estimates that it needs 13 new permanent forms of entry by 2014, but the range of new permanent classes required, according to London Councils data, is from seven to 19 new forms of entry.

Of course, the costs will be huge. Let us look at the capital costs alone. Barking and Dagenham says that its shortfall in capital investment between now and 2014 is more than £86 million. London Councils estimates the figure for all London boroughs at £740 million. We should remember that I have some evidence that London Councils's figures are out of date already, and that they underestimate the actual funding shortfall. In essence, we should be in no doubt that we are talking about a lot of children, and a requirement for a massive increase in capacity at a high capital cost.

I am sure that the Minister's brief will say the following: first, that surplus places in some boroughs can easily take care of the problem; secondly, that data supplied to the Government show that the problem is not nearly as serious as I am suggesting; and thirdly, that the issue cannot be a surprise to councils because the number of four-year-olds now was known about when they were born. She might ask why there is a fuss all of a sudden. Not least because I want to be helpful to the Minister, and because I want to bring out the underlying causes of London's massive problem, I will deal with those entirely predictable Government defences in turn.

London has relatively fewer surplus places. In outer London, the average of surplus places in January 2007 was only 8.8 per cent. of the primary capacity and it is certain to be lower by now. The Minister will be well aware of the work by the Audit Commission and others suggesting that surplus capacity of 10 per cent. or less is about right, enabling some choice and flexibility in the system while achieving value for money. For Kingston, the January 2007 figure on surplus places—certainly an overestimate—was 6.1 per cent, whereas in Sutton, it was as low as 4.3 per cent. and it is probably lower still now. In other words, surplus places in many London boroughs cannot solve the problem, especially because those surplus places data refer to all year groups in a school. They are therefore useless when it comes to tackling the problems affecting one year group. Please, Minister, let us not say that surplus places are the way out of the problem.

I have looked at the Government data that the Minister might use to dismiss my argument, and I have talked to civil servants. I must tell her that the data are largely out of date. Essentially, the Department is using figures for 2007 supplemented by some for 2008, but there have been major and sudden changes. Also, my analysis is that there are clearly various misunderstandings between councils and the Department about which figures are required for the predictions. Rather than denying that there is a problem, it is time that everyone involved recognised the problems with the data and did something about them. Will the Minister ask her officials urgently to set up a new formal process for collecting, from all London boroughs, up-to-date data on all aspects of the

matter and for cleaning that data? Will she guarantee that, in the next two months, she will require her Department to work urgently with London Councils and individual boroughs to refresh all the data?

On the final argument that the Minister is likely to use, I recognise that it is hardly intuitive that the problem of four-year-olds should be such a surprise, but having considered the matter, I am beginning to understand why it was so unexpected. The facts are as follows. For some considerable time, by and large, councils have been pretty good at predicting primary school place demand. Kingston's predictions, made using the GLA model and data, had been accurate for nearly a decade. However, in 2008 and this year, the long-standing model broke down. I think it broke down because of a powerful combination of several effects that cumulatively led to a radical change.

First, there has been a huge rise in birth rates. Since 2001-02, London's birth rate has been much faster than England's, at 20.5 per cent. compared with only 16.8 per cent. Some boroughs have seen far higher rises, with Barking and Dagenham at 40 per cent., Greenwich 36 per cent., Hounslow 29 per cent. and Sutton 28 per cent. Although the birth rates have been known, the sheer size of them has, I believe, helped to distort previously reliable forecasting models.

We should also consider the effect of the private education sector, which is important. The sector is significantly more important in London's primary education sector than elsewhere in England. The Audit Commission and others have argued that parents are deserting the private sector for the state sector because of the recession. That may be true in some cases, but I do not think that it explains the present problem, not least because most private schools are full. My theory is that while the number of London's infants has been rocketing, the number of places in London's independent schools sector has not grown as rapidly, thus the state sector is being asked to provide places for a higher proportion of a larger cohort of children.

In Kingston, up until 2006, 79 of every 100 five-year-olds would end up requiring a state primary school place. Two years later, that figure reached 89 out of every 100 five-year-olds. That rise in the so-called retention rate was not predicted and perhaps it could not have been predicted. However, if Kingston's experience were repeated across London, it could explain to a large extent the unexpected nature of the problem. Will the Minister ask her officials to write to every independent primary school or prep school in and around Greater London to seek data on their numbers and how they have changed? In my view, we will need to take much greater notice of the independent sector's dynamics if we are to improve forecasts.

We could theorise about other changes which, if true, would have been difficult to predict, such as the impact of the housing and jobs markets on internal migration in England. Demographic data from the GLA last month suggest that there was a record low outflow of people from London to the rest of the UK last year, but a record high inflow from the rest of the UK to London. The report concludes:

> "The general decline in the numbers of people moving between regions and particularly those leaving London is an indication of the impact of the present financial downturn. While people coming to London tend to be young singles who rent, those who leave tend to be families who are owner occupiers."

In other words, that theory suggests that the unexpected increase in demand for primary school places in London is due to a change in migration patterns, with more children born in London needing a primary school place in London.

The Minister may say that any effect of the recession might not be sustained when the upturn comes and that the demand for primary school places might therefore go away, but I do not think so. There are plenty of other competing, complementary and equally plausible theories beyond the recession that explain the changes in family moves within and from London. The first theory is a positive one that she should welcome: as London's education has improved, more parents think that they will stay in London for the primary education phase rather than move for the sake of the state primaries in cities and towns elsewhere in England. Then there is the theory that factors such as housing stock, crime levels and general environment have improved to influence patterns of movement and keep families in London. Those are only theories, and I could suggest others, but I think that the point is made: many factors are likely to be behind the dramatic figures; some are predictable, but many will be with us for the foreseeable future.

I hope that I have persuaded the Minister that she needs to consider the problem seriously, whatever her brief says. I especially hope that she will consider Kingston's case, of course, although I acknowledge that quite a few boroughs have more severe problems than the royal borough. I am surprised not to see any Labour London Members present, not least because I contacted them specifically to invite and urge them to participate in this debate, as some of their boroughs are more seriously affected than Kingston. It is a shame that they are not here.

What about the solutions? To start with the capital side and money for investment, undoubtedly my favoured solution is urgent extra capital grant. Where Ministers become convinced of the need, quick solutions are necessary and capital grant is the quickest way to deliver. Coupled with a commitment to extra capital in the next spending review round, it would really help. The Department will no doubt say that there is no money, but if Ministers want a quick, pump-priming boost in demand to tackle the recession—one that will not suck in imports, will use unemployed resources, will provide good value for money for taxpayers and will leave a legacy worth having—a primary school building programme is the answer.

As it is the one preferred by the Department, the Minister's preferred funding route will undoubtedly not be the capital grant but the basic need route, which involves supported borrowing, in which the Government support the revenue cost of the borrowing needed to fund the capital investment. The problem with that route is that that theoretical support is already out there—it is often provided—but it is rolled up with a council's revenue grant. The majority of London authorities are unable to use that support because their increases in revenue grant are so low that they are called floor authorities and they cannot access it. Places such as Kingston are receiving real-terms cuts in their revenue grant, so any theoretical allocations for supported borrowing are eaten up in the cost of providing basic, legally required services. Supported borrowing is just not helping.

Mr. Mark Field (Cities of London and Westminster) (Con): Does the hon. Gentleman accept that one difficulty, which I hope the Minister will discuss, is that some 24 of the 33 London boroughs are floor authorities, as he puts it? Passporting so much education expenditure in that way creates a problem throughout London for local authorities of all political colours.

Mr. Davey: I am happy to confirm that. The matter goes across parties. Despite my comments about Labour colleagues being absent, I want to make the campaign a cross-party one. The people about whom we should be concerned are the children and parents involved. Whatever party runs any particular borough, we need the cash—we need the investment. I hope that all parties will get behind the campaign.

What can local authorities do? Most, as I said to my hon. Friend the Member for Brent, East (Sarah Teather), are looking at an option—one that will be unnecessary if Ministers step in—of diverting cash meant for school modernisation projects into school expansion projects. That will still fall far short of the cash needed in areas such as Kingston and is anyway deeply undesirable, but boroughs might have no choice. I would therefore like the Minister to consider basic need safety valve funding—a wonderful title for a scheme that is supposed to help councils where unexpected changes occur during the three years of the spending review. The problem is that the Department allocates all the safety net money for the whole three years of the spending review period at the beginning of the period, which rather undermines the scheme's raison d'être. Could that be changed?

Finally, there is the revenue side of the matter. Longer-term revenue needs will sort themselves out, because eventually the cash will follow the child and there will be no problem. In the short term, however, two annoying aspects of the current finance regime prevent councils from getting the support that they need when they need it. The first is the inadequacy of the revenue safety net known as the exceptional circumstances grant, which is designed

"to help those authorities who experience significant pressures on their Schools Budgets from increases in overall pupil numbers".

The problem is that it is difficult for councils to obtain that funding, because the criteria apply across the whole school population and not just to the reception class population. Even next September's predicted increase of 300 extra children in Kingston is far short of the 500 that we would need to qualify for the grant. I ask the Minister to consider that problem.

The second is the crazy rule whereby additional pupils starting reception classes in September 2009 do not count for funding purposes until April 2010. That means that for seven months, the local education system receives not a penny towards the costs. Kingston's 10 additional classes for 2009-10 will cost more than £480,000. Because we will receive no help from Government during those seven months, that money will have to be top-sliced off the budgets of all other schools, meaning that other children will lose out.

It should not be like this. When banks get bail-outs while schools get temporary classrooms and no revenue support, parents understandably get angry. Families in Kingston and across London are not asking for the earth. They want a place in a quality local primary school. They do not want to return to the large class sizes that we witnessed under the Conservative Government, when class sizes in Kingston were some of the largest in the country; nor do they want demountable temporary classrooms to become part of the longer-term fabric of our schools. We will be spared those fates only if Ministers are prepared to think afresh, ask their civil servants to reconsider the numbers, acknowledge the problem and find the funding.

Mr. David Amess (in the Chair): Two hon. Members have given good reasons for arriving late to this debate. It is still my intention to call everyone, but it is understood that I will call all Members according to when they arrived for this debate.

11.28 am

Mr. Paul Burstow (Sutton and Cheam) (LD): I shall make a note of that for future reference, Mr. Amess.

I congratulate my hon. Friend the Member for Kingston and Surbiton (Mr. Davey) on securing this important and timely debate. Today is a significant day in the lives of many parents and children who are waiting for the letter to drop through their letterbox or the e-mail to hit their inbox, telling them whether their child has got the school of their preference. Many of us can appreciate the anxiety that parents feel at any stage in their children's journey through education when they find that their child does not have a school place. It causes huge stress, anxiety and disruption to the whole family. I draw on personal experience, as I am waiting for one such letter to arrive today. I hope not to be cast into the limbo described by my hon. Friend and faced by many of our constituents with children of primary school age. Nevertheless, we know that those problems are at large in our high school system.

I have three key points to make. They are all unapologetically Sutton points, but they speak to the wider points made by my hon. Friend. The first is that Sutton experienced London's third largest increase in births between 2005-06 and 2006-07. At just 2 per cent., Sutton has one of the lowest levels of surplus capacity in its primary schools, with surplus places in the upper years of schools rather than the lower years, and with no surplus places in reception classes. The past projections of birth rate figures supplied by the Greater London authority were critical to its application to the Department for its basic need capital funding. Because it used and relied on those figures, as required by the Department, the Department gave the London borough of Sutton an extremely low allocation that will be insufficient to enable the local authority to respond to the much changed circumstances of which we are now aware.

My hon. Friend was right to describe the situation as a crisis. The prospect of one's child having no school place causes anxiety and stress, and the resulting loss of education and all that comes with it has a huge impact on the child. Past GLA projections showed that Sutton would have had sufficient primary school places for the next 15 years. However, the data that were available in March 2008, on which Sutton based its primary capital bid to the Department, showed only a modest increase in the birth rate that would have led to a short-term, one-year peak in 2011-12, during which there would have been 70 children without places in reception classes. I think it is unacceptable for even one child to be placed in that unwelcome and unacceptable situation, so 70 is

far too many; none the less, that was the basis of the bid. Since then, however, things have changed beyond all recognition.

The key to understanding what is happening is how the transfer rate, or retention rate as my hon. Friend described it—the ratio of the number of children going into reception classes in Sutton schools to the number of births in the borough five years previously—has changed. The changes in the number of children who go to school outside Sutton and the number of children from outside Sutton who are coming into Sutton's schools have had an impact on that rate. My hon. Friend has mentioned that families are moving far less now and are making different choices about private education—there is clear evidence of that in my constituency. That change, too, has an impact on the transfer, or retention, rate.

Last September, for the first time in many years, every reception place in my borough was filled, so things have clearly changed. That change has been driven by the transfer rate rising from an average of 86.3 per cent., over the past five years, to 90 per cent. now. It has also been driven by the 8.6 per cent. increase in the birth rate between 2005-06 and 2006-07. With birth rates on the increase in Kingston, Merton and Croydon, and to some extent in Surrey, there are fewer opportunities for children to go to schools outside the borough of Sutton than there once might have been. As my hon. Friend has said, the pressures arising from the credit crunch mean that fewer families are moving home and that many are reconsidering whether independent education is an option.

The bottom line is that many hundreds of children will be in limbo in the next few years, without the offer of a primary school place. Whether the transfer rate remains at 90 per cent. or falls back to 85 per cent., according to the figures that my local education authority officers have worked out, there will be a shortfall of between 147 and 271 places by 2011-12, rising to between 209 and 337 in 2012-13. The deficit in places is huge and growing and a variety of approaches will be needed to close the gap. I hope that the Minister will respond to my hon. Friend's questions on how those options will be paid for.

Using spare capacity is part of the solution. Analysis so far has identified just two schools in the borough with available rooms that are not used directly for educational purposes, which could be released for classrooms. That would cost £1 million. Another option is to add accommodation to schools. It might be possible to add as much as one form of entry at about seven primary schools, which would cost £9.4 million. Taken together, those options of using spare capacity and adding accommodation would still provide only 209 places. If the worst were to happen, although the figures do not suggest that it will, and there were higher demand—for 337 additional places—more schools would have to be expanded and a new, two-form entry school would have to be built.

The cost of dealing with the problem therefore ranges between £10.4 million and £22.2 million. Some of that money is needed now, not in a few years' time, so the formal bid processes cannot be followed. If they are followed, the necessary school places will not be available for children when they need them in 18 months' time. That is why we need the Minister to give us answers today, or at least as soon as possible, about how the Department will respond to the extraordinary need that is emerging, so that resources can be released as a matter of urgency and so that planning and work can be done with as little disruption as possible to the education of the children already in those schools. That is why my local authority needs to know now whether it will be able to secure £4.8 million to upgrade two schools and to provide two one-form entry expansions in existing schools.

I hope that the Minister will respond to my hon. Friend's many significant and detailed questions, and I request that she meet me, my hon. Friend the Member for Carshalton and Wallington (Tom Brake) and the officers from Sutton borough who have been dealing with these problems and grappling with what needs to be done to provide a decent education for children in my borough. I hope that she will meet us to discuss in detail what can be done and when, because we can be certain that if something is not done, we will have hundreds of children not going to school in the London borough of Sutton—in Worcester Park, Cheam and Belmont. Instead, they will be standing outside the school gates, looking in, unable to join their friends or to get the education that they deserve. I have outlined the need and made my plea. I hope that the Minister will meet that need.

11.37 am

Sarah Teather (Brent, East) (LD): I have a few brief points to make about the situation in Brent. First, however, let me congratulate my hon. Friend the Member for Kingston and Surbiton (Mr. Davey) on securing the debate, which is very timely, as my hon. Friend the Member for Sutton and Cheam (Mr. Burstow) has said. This issue has been bothering many MPs and councillors, as well as the many parents who face huge difficulties as they look for school places for their children for September.

The situation in Brent is challenging. Between 2006 and 2007, its schools faced a 9 per cent. increase in the number of applications for reception class places. Reception class numbers fluctuated between 3,000 pupils in 2006 and 3,265 in 2007, and the council had immense difficulty in meeting that need. It applied to the Government for emergency funding, which was refused, and it did its best to meet the need by installing temporary buildings and making use of bulge classes in a similar way to the council described by my hon. Friend the Member for Kingston and Surbiton. However, those solutions are not permanent, and can be used only for a couple of years. In addition, large numbers of children have still been left without a permanent school place. Some Government funding was provided for temporary buildings for two forms of entry at the relatively new ARK academy, and one new form of entry was provided by rebuilding Wembley primary school, but that was done locally, using money from the council, and not through any extra Government funding.

Even with those additions, the council needs three more forms of entry on a permanent basis. It hopes to use some of the early years element of the primary capital programme to provide extra capacity by expanding one primary school. However, as I mentioned in my intervention, the problem with that funding scheme is that it is strongly focused on underperforming schools, on improving performance and on providing buildings

[Sarah Teather]

for underperforming schools, rather than on dealing with capacity problems. Many old primary schools in Brent are in urgent and desperate need of modernisation. We have had cases of roofs falling in, and of the council not having extra funding immediately available to tackle that problem, so there is an urgent need to modernise some buildings. In addition, we are facing a dramatic increase in the number of children applying to primary schools in Brent. As with Building Schools for the Future for secondary schools, that funding scheme is not focused on tackling capacity needs.

As I have mentioned, 44 children in Brent are without a school place. Not all of them have been waiting since the start of term, as we have a highly transient population and people move in and out of the borough during the school year, but there are often long waits for children to get a place when they move into the borough. Currently, 16 children are without a reception class place, and the situation does not improve for secondary schools, as 74 children are waiting for a secondary school place. Brent urgently needs extra capital investment in schools, and it simply cannot wait.

My hon. Friend the Member for Kingston and Surbiton said parents did not want huts and temporary classrooms, but even temporary classrooms would be a step forward for Brent in the immediate future, with a promise of long-term funding so that they can rebuild the primary schools that are needed. I implore the Minister to look at the situation in Brent and other London boroughs. We cannot have a situation in which so many children lack school places as the level of deprivation in Brent makes the environment challenging enough, so I hope that the Minister will make that a priority.

11.41 am

Mr. Mark Field (Cities of London and Westminster) (Con): I apologise for being a little late in arriving for the debate, Mr. Amess. No disrespect was intended to you in the Chair or to the hon. Member for Kingston and Surbiton (Mr. Davey), who has, as other Members have said, rightly introduced an important debate that goes to the heart of thinking throughout the capital. It is an acute problem, as is well known, in his royal borough. The royal borough of Kensington and Chelsea has almost exactly the same problem, but it applies across much of London.

The hyper-mobility and diversity of the capital's population has become ever more prominent, although perhaps that has always been the case. The Minister represents part of the busy city of Portsmouth, and her Parliamentary Private Secretary, the hon. Member for South Swindon (Anne Snelgrove), represents Swindon—both towns in which I suspect there has been much demographic change in the relatively limited time in which they have been Members of Parliament. The demographic change I have seen in central London and across the capital has gathered enormous pace over the past decade, and that is one of the key facts in the debate, as the hon. Member for Kingston and Surbiton rightly said in his opening comments. The predictive forecasting model, on which we have all relied, has to a large extent broken down. Demand for school places depends not only on the birth rate, but on migration, and aspects of the birth rate are linked to migration. In certain communities, particularly Muslim communities, there is a tradition of a much higher birth rate, which has had a significant impact on the issue.

The hon. Gentleman was right to point out that private education is most prevalent in London, which means that the articulate middle class voices that would normally be upstanding in addressing the issue have been quieter than would otherwise be the case, but perhaps that will begin to change, given the economic downturn and stagnant property market. Many parents with young children who might have considered moving out to the country once their children were beyond primary school age or once a second or third child had been born will not be able to do so for some time.

All those factors play an important role in a problem that is quickly catching up with us. It is easy for Opposition Members to criticise the Government for their predictive figures. Without such a high level of mobility, it would be easier to know what the birth rates are in any vicinity, so the number of primary school places that will be needed in four or five years' time could be predicted. I am not simply saying that the Department is at fault in this issue, because there are new concerns about the effect that the level of mobility and diversity in our population is having on the provision of school places, particularly in the capital. I reiterate the hope expressed by the three previous speakers that the Government will give considerable thought to that problem.

I hope that you will allow me to say a little bit about local issues in my constituency, Mr. Amess, because the issue has come to the fore in the past few weeks. Indeed, I was contemplating asking for a Westminster Hall debate on a similar issue. I was contacted three weeks ago by Farah Baig of Marylebone Mums, who wished to highlight the group's concern about the provision of state education at primary school level. In her letter to me, she stated that, unfortunately, very little credit was given to the fact that people were long-standing residents of Marylebone and that it was not uncommon for people new to the area to be offered a place before someone who had been a resident for 20 years. On seeking clarification from Westminster city council's school admissions team, she was advised that that was correct procedure and that, despite being state-funded, it was proper for faith schools in particular to have selection criteria.

The problem in my constituency is that choice is limited, and is often confined to faith-based schools. A significant proportion of parents take their children out of the state sector, and I fear that they often represent that articulate voice that could make a real difference. By the time they have decided to send their children to fee-paying schools from a young age, there is little incentive for them to make the difference that they otherwise might. Westminster has some fantastic local state schools at primary school level, but I am afraid that they are exclusively faith-based schools, either Church of England or Roman Catholic. However, their results are in the very top grade, even at the national level.

Part of the problem is the assumption that those who live in my city-centre constituency are wealthy enough to send their children to private schools if they do not qualify for one of those excellent state faith-based schools. Indeed, Carl Upsall, a leading member of the Marylebone Association, told me:

"Either you pay for private schools or you fall at the feet of the church."

I suspect that that sentiment applies to many parts of London and beyond the capital's borders. With the worsening economic situation, people are increasingly keen to see a good state school in their area. I hope that that means that some of those parents might have more of an incentive to make the state system work for them in future, but inevitably that will take time. When it comes to the education of any child of school age, time is one thing that parents do not have on their side. They want a good school now, not the promise of excellence four or five years down the line, by which time their child's education may have been detrimentally affected.

Parents are increasingly turning to home schooling because of their concerns about the provision of primary and secondary education in central London. That issue was raised with me only last week by two constituents, and I hope to raise it in a future Westminster Hall debate. Two concerned mothers, Mrs. Helen White and Mrs. Tina Robbins, both decided to educate their children at home, because they were worried about the quality of education in the state sector, particularly with regard to the restrictive curriculum and the culture of levelling down, rather than encouraging excellence. We have an obsessive approach to equality in the educational establishment, and there is an increasing view, perhaps understandably, given the furore over the baby P case and others, that educating children at home is an issue not only for education departments, but for social services. There is more of a disincentive to go down the route of home education, yet some of our most dedicated parents are deciding to educate their children in that way, which in many ways should be welcomed in relation to choice and diversity. The only downside is that it is often a reflection of parents' despair about the quality of education offered by the state.

Tom Brake (Carshalton and Wallington) (LD): Would the hon. Gentleman like to caveat that comment by accepting that, although children can be educated at home excellently, there are concerns about whether that is monitored in the way it should be, as some children are not getting a good education at home at all?

Mr. Field: That is a legitimate issue for people on both sides of the argument. The issue has to focus on educational needs, rather than just on social and equality needs. An issue that was, funnily enough, raised by the two parents to whom I spoke the other day is that, rather than simply excluding difficult children, it is in fact quite convenient for a local education authority to say to parents, "Why don't you, notionally, home-educate them?" I accept that an increasing number of children in that category probably get a less than adequate education at home. None the less, I support the idea of diversity and choice. One only wishes that it were a positive choice, rather than one made for negative reasons.

In my constituency, there have been calls to revisit the debate on building new primary, secondary and nursery schools south of the Marylebone road to cater for the large number of young families who have moved into that area. Indeed, it is a strategy of Westminster city council to encourage more families not only to live, but to stay in the centre of the city. I think that all London Members feel that parts of their constituency would definitely benefit from a residential population that was active in the local community and engaged with it. Whether it is Kingston town centre or bits of my constituency, such as Soho or Covent Garden, allowing parts of our constituencies to exist simply for the commercial sector has a detrimental knock-on effect for the community at large.

Many parents in my constituency are keen to have a non-denominational secondary school and nursery. There is a particular concern about provision for boys. As someone who has a 14-month-old son, I have an eye and firm ear to these matters. I welcome the work that the Government have done and I have met the erstwhile schools Minister, Lord Adonis, to discuss the refreshed Pimlico academy. It is early days, but one hopes that the academy will prove to be a great success in the months and years ahead.

Finally, I shall mention the work of the education department at Westminster city council. The excellent local councillor and cabinet member Sarah Richardson has told me that there is no reason to build a new secondary school, because parents have wide access to a great choice of 10 schools, which provide education irrespective of faith in the city of Westminster as a whole. That does not just relate to my constituency, but that of my Labour neighbour, the hon. Member for Regent's Park and Kensington, North (Ms Buck). Just north of my constituency, the brand new King Solomon academy will eventually cater for children from nursery through to sixth form. It is fair to say that many of our local authorities are wise to these facts and are working hard. However, given that the issues of hyper-mobility and hyper-diversity have become profound ones in our capital city, local authorities need some assistance from central Government.

Thank you, Mr. Amess, for allowing me to speak at such length on this subject. I look forward to hearing the Minister's comments on what is an important matter now, and will, I fear, be an important matter for all London Members of Parliament in the years ahead.

11.52 am

Stephen Hammond (Wimbledon) (Con): I would like to start by apologising for being late. I was detained on a shadow ministerial engagement looking at Waterloo station and whether Network Rail can bring the platforms back into usage earlier than it has currently suggested it will. I suspect that matter might strike a chord with other hon. Members in this room.

I congratulate the hon. Member for Kingston and Surbiton (Mr. Davey) on calling this debate. I share his surprise that others are not here, if they were forewarned. I am afraid that I only heard about the debate last night, but this issue is undoubtedly cross-London and cross-party. The matter was first raised seriously in my constituency surgeries in June last year and, indeed, at a number of open meetings that I held in the autumn. We have had a consistent problem.

The issue has had a major impact on Wimbledon, which was recognised by London Councils. It said:

"Merton has a particularly bad problem both in the number of children…and in the projected shortfall in capital funding."

The bulk of the problem in Merton lies in the Wimbledon end of the constituency because there has been increasing demand for extra places to the north of the Worple

[Stephen Hammond]

road. Last year, across the whole borough, I think that we had fewer than 15 spare places in our schools, yet there will be an 8 per cent. rise in numbers between 2008 and 2012. Immediately this year, there is already a demand for three extra forms of entry and the council estimates that there will be a requirement for 12 extra forms of entry by 2012. The problem is quite acute in Merton.

The hon. Member for Kingston and Surbiton talked accurately about why there has been surprise about the number of extra places required and why that might have been. My hon. Friend the Member for Cities of London and Westminster (Mr. Field) was right to say that the matter is not the Government's fault. There has clearly been some element of miscalculation by the Local Government Association, which provides the figures. There is also the issue of retention and people simply staying where they have been moved to or in the boroughs where they are, rather than migrating out of London. Other hon. Members have discussed that. Clearly, the impact of immigration over the past few years on many of our constituencies should not be underestimated. As my hon. Friend said, there has been huge demographic change.

[Mr. Greg Pope *in the Chair*]

That has led us to where we are. In addition, we are now seeing the impact of the recession, with people potentially staying longer in their houses. Indeed, there is also the potential outflow from the independent sector. The dynamics of the situation in my constituency are slightly different from those in other constituencies. The bulk of people move to the independent sector after enjoying the excellent state primary education. That is a reflection of why the state sector has always been relatively full in the borough of Merton—even though there is the expectation that because it is a middle-class area, there might be a number of surplus places.

Merton, and Wimbledon in particular, have been faced with an immediate requirement for three extra forms of entry. As I said, based on current estimates—a number of other hon. Members have discussed whether we take those estimates to be accurate—there is an expectation that we will have to have 12 extra forms of entry. My discussions with our excellent members for education, Councillors Debbie Shears and Krystal Miller, indicate that their concern is that 12 extra forms of entry will be on the low side, rather than being an overestimate. That remains a real concern.

The problem for councils on the ground is not just ensuring that the demand for extra spaces is spread evenly across our borough or, indeed, our constituencies. In Wimbledon, the demand for extra places is arising in areas where for all sorts of reasons there has already been huge pressure on first choices for primary schools. That is happening either because those catchment areas are traditionally regarded as middle class and more independent, and therefore fewer primary school places have been provided, or because the previous Labour administration sold off school sites and, therefore, there is simply not the potential to expand some of those sites in those areas. Such stress factors have resulted in real parental concern about how far children will have to travel, which has particularly been evidenced in relation to the expansion of Wimbledon Chase school.

In addition, where there is space in schools that already have two forms of entry, going up to three forms of entry will give rise to the prospect that relatively young children will be in a school that might have 700 to 800 children—although I accept that children will still be in a class size of 30. I accept that the evidence on the overall size of a school is equivocal; none the less, there is real parental concern about that. The right balance for councils in relation to what they are, in a number of cases, asking the Minister for is to say, "Yes, we absolutely accept that the influx and increase in the number of places cannot be laid at your door, but the Government could do a number of things."

A number of parents have raised with me the point that they have consistently heard from the Government that there will be money available for infrastructure projects as a means of fiscal stimulus. We all understand that those moneys are accessed through different pots, schemes and allocations, but, as another contributor has said today, many London boroughs are floor authorities. Merton is, too, so if we compare the situation with last September's inflation figure, we are suffering a cut in revenue funding in real terms. My local authority has made representations to the Department, but there has been a request for flexibility in terms of accessing the available pots. For instance, everybody welcomes the primary capital programme, but some of it will not be available for immediate purposes. Equally, other capital pots of money in departmental control would—if there were some flexibility, particularly on this problem—remove some of the real pressures on local councils.

All London Members present have, I am sure, experienced broadly the same problems: we have heard real parental concern about the size of schools and whether their standard of education will be affected by the increase in numbers. Ofsted-rated "excellent" schools are expanding, and I am all in favour of that, but such excellence will continue to pertain only if there is revenue funding to support it and the capital funding to allow us to make the transition, so that the environment in which the children learn is excellent, too.

The Government can indicate today that they are prepared to consider a flexible approach to capital requests from local authorities, and I hope that the Minister will address those concerns in her remarks.

12.2 pm

Susan Kramer (Richmond Park) (LD): I apologise for being late, Mr. Pope. I had to attend a meeting with utilities, local residents and traders, which I think has averted a roadworks disaster. I hope that you will forgive me for having gone to that and missed the early part of the debate. I also thank the Minister, who met me and representatives of Richmond upon Thames borough council a couple of weeks ago, because, for the Richmond part of my constituency, the problem is acute.

My hon. Friend the Member for Kingston and Surbiton (Mr. Davey) will have laid out the challenge that faces the royal borough of Kingston, and north Kingston, the part of that borough in my constituency, has three of this year's bulge primary classes and is in desperate need of help. The only long-term solution is a new primary school, and to make places available for children we must consult on that permanent solution this spring—ahead of the summer school holidays, so critical is the

problem with the number of children. My hon. Friend will have presented the picture in Kingston, so Members will understand just what a crisis we face there. We have the children—there is no question but that they are there, unexpected though they would have been two years ago—and they must have schools and provision made for them. That cannot be done, however, without significant intervention by the Government.

I shall address the Richmond problem but leave significant time for the winding-up speeches, which will be so important. In some ways, Richmond was ahead of the game in terms of recognising the explosion in the number of children who would require school places. The borough has a very powerful reputation for primary education. If we exclude the City of London and the Isles of Scilly, each of which have only one primary school, Richmond is the highest performing borough in terms of primary school results. Although we regard some schools as weaker than others, we can fairly say that no school does not fall into the "good" category.

The schools are very popular with local residents, but we started to see the change in the live birth rate at least two years ago and, as a consequence, went to the Department. It attempted to give us support, so Richmond was one of only two councils to receive safety valve money. We needed £50 million to expand seven schools, but the safety valve money, while very welcome, was only £8.9 million. Since then, the problem has been exacerbated as we, like other boroughs, have experienced a significant shift as parents who intended to put their children into the independent sector decide that they can get outstanding provision in the state sector, and that, at a time of economic pressure, it makes sense to do so. The council has, therefore, just invested £12.25 million in expanding six schools to make provision for entry this year, but it has run out of resources that can be diverted to provide a similar number of new places in future years.

Richmond and Kingston are both small, floor boroughs that receive very little of their local government funding through the grant process. They are not considered to be disadvantaged boroughs, and they are not inner-city boroughs, either, even though both take a significant number of children from the inner city for various reasons, including the boroughs' contours. In those circumstances, there are not many other parts of the budget from which to pull in money: there are neither funds for various other academic purposes, nor pots of money that can be attached and redirected to provide the resource to cope with a delightful but challenging flood of children who require primary school places. I therefore hope that the Minister will recognise that, even though the Government are mid-cycle in their funding programmes, south-west London's boroughs face a real emergency.

Much of today's discussion has been about primary school places for the typical child, but there is a significant special needs component, too. Richmond and Kingston have become magnets for families with children with special needs. It is a compliment to the boroughs, but it has a significant impact on many resources, and in Richmond there is a major move to repatriate to the borough the capacity to provide places for many more special needs children, particularly those at the far end—the complex end—of the spectrum. The difficulty is exacerbated by the rapidly increasing demand for school places. Those children need our particular attention and care. The provision of funding to enable significant expansion in complex special needs services at primary level and all the way through the education process is an urgent factor that must be brought to the Government's attention.

It is important that we have a response from the Minister, so I shall sit down. However, I congratulate my hon. Friend the Member for Kingston and Surbiton on securing this important debate in the House.

12.8 pm

Tom Brake (Carshalton and Wallington) (LD): I shall also try to keep my remarks to five minutes or so to give the Minister time to respond. I congratulate my hon. Friend the Member for Kingston and Surbiton (Mr. Davey) on securing the debate, and other hon. Friends and Members on their participation. I hope that if the Minister leaves today's debate with anything, it will be with the recognition that this is a cross-party matter. In spite of the absence of Labour Members, the problem affects many of their local authorities, so I hope that she will approach today's debate in that vein.

Members have sensibly set out the main causes of the problem. First, people have migrated to London and there has been an accompanying rise in birth rates. Secondly, there have been changes to London's housing stock. People who would have moved out of the borough when their children got older are now not doing so because of the state of the property market and perhaps because of improvements in education provision. That has certainly happened in my local authority area. Thirdly, the economic downturn means that parents who would have educated their children in the private sector either cannot afford to do so now, or are worried that they may not be able to afford it in the future. Those are the main drivers.

I hope that the Minister does not say that local authorities should have predicted all that. The Government did not predict what was going to happen in relation to migration or in terms of an economic downturn, so it is difficult to see how local authorities should have been able to predict 12 months ago that that sort of thing was going to happen. It is unexpected and exceptional and I think that the Minister needs to acknowledge that when she responds.

There is clearly a significant problem. London Councils has set out what it considers to be the financial implications. Its figures show a shortfall of £260 million in the current spending review period associated with the additional capital funding that is required and a shortfall of £480 million over the next spending review period from 2011 to 2014. Substantial sums are needed to address the problem.

Hon. Members have carefully set out the impact in their local authorities. As my hon. Friend the Member for Sutton and Cheam (Mr. Burstow) said, the key is how the transfer rate changes and that rate depends on lots of factors, including parents moving in and out of the borough and so on. If there is a 90 per cent. transfer rate—in other words, 90 per cent. of the children born in the borough continue in primary schools when they reach five—some £22 million would be required and if the transfer rate is lower, perhaps nearer the transfer rate of 85 per cent. that used to apply, £10 million

[Tom Brake]

would be required. Whether the problem is seen at London level or at local authority level, we are talking about substantial sums.

Other boroughs have drawn up figures. Lambeth, for example, has identified a £16 million shortfall in what it needs to provide places, and we have heard about Richmond. There are similar problems outside London, for example, in Kent. So the Minister needs to respond to a London issue and a wider-than-London issue.

In terms of solutions, we and, I am sure, the Minister have received briefings from London Councils that set out how it thinks the matter should be dealt with in terms of additional emergency capital grants. My hon. Friend the Member for Kingston and Surbiton made that point in his concluding remarks.

I hope that we will receive a considered, positive response from the Minister, because otherwise we are into Alice in Wonderland politics, with the banks having literally hundreds of billions of pounds invested in them to bail them out of a disaster that they created themselves through their greed and incompetence, for which they are rewarded with pensions 30 times a teacher's salary, yet schools being starved of funding despite a real need for investment in our primary schools to create new school places and investment that will create jobs and provide a long-lasting legacy for our children. I am sure that the Minister does not want that to happen—I am that she is not in the business of Alice in Wonderland politics—and that she will, therefore, come forward with a concrete response and agree to meet my hon. Friend the hon. Member for Kingston and Surbiton and I to talk about our local issues. I also hope that she will do so, on a wider London basis, with other hon. Members who have been affected by this problem.

12.13 pm

Mr. Nick Gibb (Bognor Regis and Littlehampton) (Con): I congratulate the hon. Member for Kingston and Surbiton (Mr. Davey) on securing this debate and on his accurate analysis of the process of building new school capacity, which is Kafkaesque in its bureaucratic complexity and contradictions. That is something that the Conservative party policy would sweep away as we sought to implement a Swedish approach to bringing in new education providers.

In this country, the school admissions process and securing a place at either a primary or a secondary school for a child has become a fraught, highly stressful annual moment for parents. With one in three primary schools judged by Ofsted to be no better than satisfactory, it is clear why school admissions is such a sensitive issue: it is trying to squeeze a pint into a half-pint pot.

Last week I visited King Solomon academy, which my hon. Friend the Member for Cities of London and Westminster (Mr. Field) mentioned. It has an excellent primary school and is one of the schools rated by Ofsted as outstanding. However, the problem in Kingston and Surbiton seems to be one of poor forecasting rather than the quality of the primary schools. Plans were not put in place to raise capacity when the demographics were relatively clear that new capacity was needed, notwithstanding the recent trends arising from the recession.

Mr. Davey *rose—*

Mr. Gibb: I will not give way because of the time.

In January 2007, there were 678 surplus places in primary schools in Kingston, which is some 6 per cent. of capacity. That reflected a demographic trend that showed the number of five-year-olds in Kingston falling from 1,500 in 2003 to about 1,450 by January 2008, in line with national demographic trends. However, projections also made it clear that by January 2009, in relation to the September 2008 intake, the number of five-year-olds nationally would rise from 530,000 to 552,000 and then to 569,000 in 2010, with further increases in each of the following years. In Kingston, it was projected that primary places would need to rise from 10,400 in 2008 to 10,584 in 2009 and 10,809 by 2010, with further rises in 2011 and 2012. Despite these projections, last year there was a shortage, as the hon. Member for Kingston and Surbiton said, of about 200 primary school places for rising fives in the borough, which resulted in the emergency bulge classes, or Portakabins as they are more colloquially known. This year a shortage of 300 places is forecast.

Kingston council has said that the number of primary school applications exceeded all expectations and called the increase unprecedented, but local parents, including Vicky Grinnell-Wright, for example, have said that the council's poor planning was due to negligence. The hon. Member for Kingston and Surbiton blames the inaccuracy of forecasts and high birth rates since 2002, the independent sector not expanding in line with the higher birth rate and the effect of jobs and the housing market on the extent of internal migration to and from London. He also accurately described the problem of funding. My hon. Friends the Members for Cities of London and Westminster and for Wimbledon (Stephen Hammond) both pointed out that there are 23 floor boroughs in London.

Parents in the borough are obviously hugely concerned. Nothing matters more to parents of young children than the choice of primary school. All parents want a good local primary school within a short distance that has a safe, happy atmosphere, that has a real focus on early reading using synthetic phonics and that will enable children to gain a genuine grasp of the rules of arithmetic.

Mr. Davey: I am grateful to the hon. Gentleman for telling us about the issues in Kingston, but he is completely wrong. Many boroughs across the capital are experiencing the same problems. I have talked to a lot of parents and when I speak with them they begin to understand the difficulties that Kingston has faced—and no doubt parents in other boroughs do, too. I hope that the hon. Gentleman will think again and join with Liberal Democrats and others to press the Government for support, rather than making inaccurate statements.

Mr. Gibb: Parents in Kingston are concerned and they blame the council. Of course, they take into account all the other factors, but parents' concerns have also been raised by Helen Whately, who has been campaigning with the parents that the hon. Gentleman mentions to raise the profile of the problem and to put pressure on Kingston council to fix the immediate crisis and put in place plans for long-term solutions.

The hon. Gentleman is right: it is unacceptable that parents are facing the stress of not having a primary school place for their child. I hope that the Minister will assure parents in Kingston and Surbiton, and those in the rest of London, that these problems can be remedied in the near term.

12.18 pm

The Parliamentary Under-Secretary of State for Children, Schools and Families (Sarah McCarthy-Fry): I congratulate the hon. Member for Kingston and Surbiton (Mr. Davey) on securing this debate on an important subject, and I pay tribute to all hon. Members who have spoken.

We have made it our ambition to provide a world-class education for every child and every child should have access to the opportunities and benefits that that brings. That means two things: making sure that every school is a good school, so that parents have real choice when deciding where to send their child, and ensuring that those opportunities are open to children from as early on as possible in their education. We all know that primary education is a really important stage in a child's life; it is their first experience of full-time education and a place where they get a good grounding in the basics, start to develop independent thinking and develop those skills that prepare them for secondary education.

Local authorities have a duty to secure sufficient provision for children in their area. They are responsible for planning school places, and ensuring that enough places are available to meet local need. That is right, because local authorities know best the specific challenges and circumstances facing their areas and are best placed to deploy local resources in line with those specific needs. The Apprenticeships, Skills, Children and Learning Bill will strengthen that further. Pending that legislation, local authorities will become the single point of accountability for all children's services provision from nought to 19 so that we can focus on children and their families.

It is crucial that local authorities make a full assessment of the future demand for school places in their areas. My Department relies on those forecasts when allocating capital funding to cover extra places for future growth in pupil numbers, so it is essential that those projections are as accurate as possible. Local authorities prepare their own pupil forecasts, based on local circumstances and taking account of births, new housing, population migration and other factors. There should be no unexpected demand for reception places because of a rise in birth rate—many hon. Members brought that up—because the information is available from the health authority. Local authorities also use other factors and other methods to predict mobility. As was said, some local authorities are better than others at using the information at their disposal.

Mr. Davey: In a reply to a parliamentary question, the Minister said:

"We have begun work to evaluate the accuracy of existing forecasts".—[*Official Report*, 26 November 2008; Vol. 483, c. 1853W.]

How is that work progressing?

Sarah McCarthy-Fry: We are reviewing emerging pupil number trends to inform the next spending review, so work on accuracy is ongoing. We are also working with London Councils, which is also considering the matter—that work, too, is ongoing—so that we can offer advice and guidance to local authorities to help them to put those forecasts together.

Funding is fixed for three years at the beginning of the spending review period. That was done in response to requests from local authorities, which value being able to plan their capital expenditure with certainty. Resources in the current spending round have been allocated, and we do not hold back funds for later distribution on the basis that forecasts of the number of primary school pupils may be inaccurate.

Tom Brake: I agree that local authorities value having a three-year view of funding, but does the Minister acknowledge that they become angry about difficulties arising from migration, for example, when a large number of people come into a local authority area, but the funding does not kick in for a number of years after they have arrived?

Sarah McCarthy-Fry: A balance must be struck between certainty in planning and being able to react to unforeseen contingencies, or perhaps contingencies that could have been foreseen, albeit not necessarily the migration the hon. Gentleman mentions.

In Kingston in 2007, pupil projections suggested an additional increase of about 500 pupils by 2012. Those figures provided the basis for the basic need funding to enable the authority to provide for growth in pupil numbers. The authority did not revise its projections in 2008. Virtually all inner-London authorities and four of the outer-London authorities have revised their forecasts of the growth in the number of pupils downwards since basic need funding was calculated for the current spending review period, so there should be no shortfall of funds in those authorities, although I accept that they are probably not the authorities that hon. Members here represent. We will monitor closely those who have projected a shortfall.

Local authorities may also have access to other local resources that can be used to create extra places. It is for local authorities to make those judgments about where their resources are best deployed, taking into account the different needs and pressures that they face. We have already agreed funding for schools for the next three years, based on pupil projections by local authorities, but I understand that London Councils is looking into whether those projections were sufficiently accurate. Many hon. Members have said this morning that they believe that they were not accurate. We are waiting for information from the January 2009 school census, and when we have those data and the information from London Councils, I undertake to consider them seriously. I am sure that they will help to inform future decisions about school funding.

We are reviewing emerging pupil number trends to inform the next spending review period from 2011-12 onwards to take account of the rise in child population and any changes due to the economic downturn. We will also consider other factors that hon. Members have mentioned today. We will cover whether it is still appropriate, depending on the accuracy of the forecasts, to allocate all basic need funding at the start of a new comprehensive spending review period.

We are working with the Association of London Directors of Children's Services on pupil place planning in London. Discussions are ongoing, and we are awaiting

[Sarah McCarthy-Fry]

data to show where the shortage of places is. When we have all that information, I will be happy to meet hon. Members who are particularly affected because of changes in population.

Mr. Davey: I am grateful for the Minister's undertaking on previous data and her willingness to meet hon. Members. I shall certainly take her up on that kind offer. May I press her on the need for the data review to happen urgently and for the Department to consider changing the funding arrangements, not just in the next spending review, but in the current review, because the need is now and the need is urgent?

Sarah McCarthy-Fry: When I have the data in front of me, I will consider it, but I will wait until I have had the information from London Councils and the Association of London Directors of Children's Services because I want to see exactly where the problems are.

Based on January 2008 capacity data, many London authorities, including those that underestimated pupil numbers, seem to have sufficient spare places at local authority level to meet current demand.

Susan Kramer: Is the Minister talking about places in schools, where there may be places in year 5 when the need may be in reception? Is that not a distortion, and is it not used frequently?

Sarah McCarthy-Fry: I am talking about surplus places in schools as a whole, but we must take into account the fact that surplus places may not be in schools that parents want to send their children to.

We have an annual allocation of capital investment under the primary capital programme, in which there is a range of criteria that local authorities use when identifying schools for investment. As the hon. Member for Brent, East (Sarah Teather) said, one is to have regard to school performance and to surplus places. They are also expected to identify priority for investment on the basis of responding to demographic pressure, so there is flexibility in the primary capital programme.

Funding for 2009-10 and 2010-11 has been confirmed for 13 London authorities, including both Kingston and Richmond. For a further 91 local authorities, 2009-10 funding has been confirmed, but future funding will be dependent on confirmation by the end of the month that problems identified will be resolved. Brent, Sutton, Westminster and Merton all come into that category, so I hope that hon. Members will press their local authorities to ensure that that information is with us and that we can resolve the issues by the end of March 2009 so that we can bring forward that funding. London authorities have reported collectively that they are planning to start projects at nearly 400 schools over the period 2008-11.

On the number of pupils moving from the independent to the maintained sector, the number attending independent primary schools has increased by more than 1,400 in Greater London over the past three years, and by more than 1,300 in inner London over the same period.

Every child should benefit from a first-class education in a good local school. That is one of our highest priorities and reaches throughout the system from national Government to local government to each individual school. Local authorities must use every resource at their disposal to ensure that every child benefits from those opportunities. We will continue to examine the data on current and projected numbers, and work with local authorities to manage that.

Waste (Gloucestershire)

12.30 pm

Mr. Parmjit Dhanda (Gloucester) (Lab): It is a pleasure to serve under your chairmanship, Mr. Pope—from the Back Benches this time. I am bringing to Westminster Hall today a debate on incineration in Gloucestershire and specifically at the edge of the city of Gloucester, adjacent to the constituency of my hon. Friend the Member for Stroud (Mr. Drew).

Mr. David Drew (Stroud) (Lab/Co-op): No, in the constituency.

Mr. Dhanda: In, even. It is right on the border between our constituencies. In 2005, in the run-up to the county council elections, the Conservative party in Gloucestershire produced its manifesto. It said:

"We will: Oppose incinerators. Conservatives have already worked to stop incinerators being built in Gloucestershire and we will continue to do so."

I am afraid that that is a lie. There is no other way of putting it, because the Conservatives have gone back on that promise to the people of Gloucestershire. It will be interesting to see what happens when they go back to the people of Gloucestershire in the county council elections in June of this year and try to square their promise with what they are doing now.

Conservatives have made a number of promises in recent times. One was not to build houses in suburban areas on the edge of the city of Gloucester. My hon. Friend and I fought a vociferous campaign that resulted in a planning application in relation to the Hunts Grove area of his constituency being called in, but it was pushed heavily by a councillor by the name of Stan Waddington, whom my hon. Friend knows well—he is a councillor on his patch—and unfortunately permission was obtained. That means that in the very location where the Tories now propose to build a 10-storey incinerator capable of burning 175,000 tonnes of waste a year, thousands and thousands of new homes will be built; they will be built directly in its shadow. The area of Quedgeley, Grange and Tuffley, which is in my constituency, will be directly adjacent to it as well.

It came as a bolt from the blue to us that the Tories were planning that, not least because a few days before their decision to purchase the Javelin Park site in Quedgeley for £7.4 million, they told me and the chairman of our local football club that there was no capital money available at all to help the local football club to return to Gloucester after losing its ground in the floods of two years ago. Then we found out, without any consultation at all, despite the fact that my hon. Friend and I had held a public meeting just a few weeks previously, that they were working to purchase that land and had been working on a big private finance initiative deal with my right hon. Friend the Minister's Department to try to obtain funding for the incinerator.

I would like to put it to the Minister that the county council is clear that, in its view, that is not its responsibility; it is all the fault of her Department and the Government. I am sure that she will have some things to say about that in relation to local decision making. I would also like to put to her the question whether PFI moneys would have been available for other schemes if a bid had come to the Department that did not involve a large-scale incinerator capable of burning 175,000 tonnes of waste.

When sites and locations were considered, three of the sites were in or around my constituency. Two were in or around Quedgeley in the south of my constituency; another was in Hempsted. The whole idea and principle of putting such a facility, which burns 175,000 tonnes of waste, in proximity to such an urban area comes as a real surprise to me, but perhaps it should not, because overwhelmingly Gloucestershire county council is run by a small elite—a cohort that lives in the Cotswolds. Those people would never, ever countenance any development like this in their part of the county. In fact, they have gone out of their way to select a Tory prospective parliamentary candidate for my constituency, the city of Gloucester, who hails from the Cotswolds as well, who has been entirely compliant with them on these plans and who will not criticise them at all. Unfortunately, the illness of not asking any questions about this, which has been passed on to other members of the Tory party, has infected local councillors in Quedgeley and other parts of my constituency as well. They refuse to raise their heads above the parapet and say what they think, but at the same time they do not take on the Cotswold cavalry that is running Gloucestershire county council.

Why do I think that such a facility would be bad for my constituency, my constituents and Gloucestershire? First, it would need to burn waste 24/7; once one of these machines is started, it has to keep going. That is ultimately bad for the local carbon footprint. We calculate that by 2020 there will be about 100,000 tonnes of residual waste each year, so we would have to find another 75,000 tonnes of waste to keep the machine burning. That would involve importing waste, regionalising waste. The Tory party claims to be anti-regionalisation, but when it comes to rubbish, it wants to regionalise it and dump it on the doorstep of my constituency, bringing it in from Bristol, Birmingham and who knows how much further afield.

There are real local infrastructure problems as well. Junction 12 of the M5, which is in the constituency of my hon. Friend the Member for Stroud, just is not kitted out for this kind of waste to be driven in daily. The people of Bishop's Cleeve, in the Tewkesbury constituency, are already up in arms and demonstrating because the resultant waste material will almost certainly end up in Bishop's Cleeve. We think that this is a bad solution.

Mr. Andrew Smith (Oxford, East) (Lab): I congratulate my hon. Friend on raising this important issue, which affects one of our neighbouring counties and our hon. Friend the Member for Stroud (Mr. Drew). Will he add to the issues that need to be raised the question of the safety or otherwise of incinerator bottom ash? I have asked a number of questions about that and it appears that the Environment Agency is now changing its previous statements that all incinerator bottom ash is classified as non-hazardous; those statements seem no longer to be applicable. It also appears that the H14 ecotoxicity testing described in its waste manual is now a requirement. Would it not help if my right hon. Friend the Minister clarified whether that is now required and whether the results of such testing should be made public in regional registers, so that people can judge for themselves the hazardous nature of the material to which they might be exposed?

Mr. Dhanda: I am very grateful to my right hon. Friend; I am sure that the Minister will tackle that point. He makes the point that many Gloucestershire residents—it is not just the city of Gloucester or Stroud residents—are concerned about the issue, not least, as I said, residents of Bishop's Cleeve, who were demonstrating as recently as last week.

One argument that the council is using, other than blaming the Government for its local decisions, is to say, "Well, what is the alternative?" If people ask around and study things, they find alternatives. There are alternatives out there. We work closely with Gloucestershire's Friends of the Earth network. We have also been listening to what local residents have had to say. There are a number of things that Gloucestershire county council can do, rather than rushing to build this 10-storey beast that will burn 175,000 tonnes a year.

First, the six authorities in Gloucestershire could start working together coherently. In my part of the world, 36 per cent. of waste is currently recycled. In the constituency of my hon. Friend the Member for Stroud, the figure is 50-something per cent. However, if the six authorities worked together, there would not be, for example, an ability to collect and recycle green waste in my constituency but not in the constituency next door. There would not be an ability to recycle bottles with their tops on in Stroud, but not in Gloucester. Nor would it be the case that food waste could be collected in some parts of the county but not others. Quite simply, the authorities do not work together, so a single coherent strategy would help and no doubt boost recycling levels.

What levels of recycling should we be aiming for? The Netherlands is already at 65 per cent. The figure is 58 per cent. for Germany and 59 per cent. for Austria, but we do not have to go that far afield to find good examples of high levels of recycling. St. Arvans, in Monmouthshire, is a zero-waste project promoting waste separation and the kerbside collection of paper, glass, cans, foil, textiles—I will run out of fingers—plastics, Tetra Pak, cartons, green waste and food waste. Some 73 per cent. of waste is diverted from landfill in that part of Monmouthshire, and there is a 95 per cent. participation rate. Surely, instead of looking to lower levels of recycling in Gloucestershire and saying, "Well, we have this machine. We'll just keep chugging along, widening our carbon footprint and bringing in waste from further afield to keep things ticking over," we should look at the issue more imaginatively and work more closely with Gloucestershire Friends of the Earth.

For many reasons, the incinerator could be something of an eco-disaster. Kent county council's environment spokesperson, Keith Ferrin, recently said that the council's decision to build an incinerator was "stupid" with hindsight, adding:

> "The people who thought they were being very clever and economical with people's money ten years ago have produced a situation where the reverse is true, as KCC is now committed to a contract we can't get out of."

In Gloucestershire's case, it would be a 25-year contract, so we would be committed to a programme that we could not get out of for 25 years and which ruled out any emerging technologies or local flexibility. Councillor Ferrin continued:

> "What seemed a very wise decision a very long time ago is a very stupid one today…At the time, people were saying nationally that this was the only way ahead. But if you make a prediction for 10 years' time, the only thing you can be certain of is that it will be the wrong decision."

I would like our local authority to be more aware of some of the new, emerging technologies. Just this week, I was handed an article from *The Birmingham Post*, which talks about some of the new technologies that are coming on stream in Birmingham:

> "Regular disposable nappies which take hundreds of years to rot on the nation's landfill sites could soon be recycled at a new £12 million Birmingham-based facility—the first of its kind in the UK…they plan to turn up to 36,000 tonnes of Pampers, Huggies and adult incontinence products a year into plastic cladding and roof tiles."

Surely, that must be the way forward. The article continues:

> "Meanwhile, methane from the production process can be sold to the National Grid and turned into energy and anything left used for compost."

We have been told a lot of half-truths in Gloucestershire. We have also been told some outright lies, and I read earlier from the Conservative council's manifesto. Unfortunately, I sense a fear among local politicians, who will not speak up on the issue and who are keeping their heads down. It is time for them to speak up for the thousands of people in my constituency who fear for the quality of their lives and who fear what is happening to house prices because of a decision that will be made after the 2009 local elections, but which is hanging over their heads in the interim. People are also fed up with the council turning areas of my constituency such as Quedgeley into a dumping ground for all the county's problems.

I ask my right hon. Friend the Minister whether the council could have bid for something other than an incinerator with PFI funding. I suspect that it could. We should take on board what Friends of the Earth is saying locally and increase the level of recycling to 80 per cent. by 2020 by having greater kerbside separation of waste and small local residual waste management facilities that match the scale, form and size of their surroundings to make them acceptable to local communities—facilities that handle between 5,000 and 35,000 tonnes per annum. If we do, we will achieve more flexible, local solutions, and there will be greater ownership of facilities by communities. Similarly, there will be more investment in composting and more anaerobic digestion. That has to be the way forward.

Finally, does my right hon. Friend agree that we should look at the way in which we audit our local authorities? Should we start looking at the pledges that they make in county council elections and at whether they fulfil those pledges? I repeat the words of the Tory party in 2005:

> "We will: Oppose incinerators. Conservatives have already worked to stop incinerators being built in Gloucestershire and we will continue to do so."

That is actually a worthless pledge.

12.45 pm

Mr. David Drew (Stroud) (Lab/Co-op): I am grateful to my hon. Friend the Member for Gloucester (Mr. Dhanda) for giving me a few minutes, and I shall be brief so that my right hon. Friend the Minister has sufficient time to respond.

I want to make four quick points, beginning with an issue that I approach with some sadness. Stonehouse town council, which I know rather well, because I am still a member after 22 years, invited Councillor Stan Waddington, whom my hon. Friend mentioned, to a meeting on 22 December to explain the county's policy on waste. We specifically asked him whether the county council had an option on the Javelin Park site, to which his answer was that it did not. By 31 December, the county council had bought the site. Never let it be said that the local authority in Gloucestershire cannot get things done quickly, because it negotiated the purchase of the site in nine days over Christmas. I only wish that local government was that effective in every other area and could deliver Government policies from time to time. Councillor Waddington should explain what he said to the town council and what was really going on.

My second question is directed to my right hon. Friend the Minister. Why did the site-specific designation become key to the way in which the PFI was delivered? Was that initiated by Gloucestershire, which was always looking to find a site, without saying what would go on it, or by officials at the Department for Environment, Food and Rural Affairs who felt that it was appropriate to have a site before the PFI could be agreed and delivered? Without looking to the future, that is fairly obvious.

My third point relates to the waste inquiry to which I gave evidence. Misleading evidence about what came out of that inquiry has been widespread and disproportionate. The inquiry did not provide the basis for an argument in favour of incineration; it set out the collapse of the case that the seven authorities in Gloucestershire tried to put to it. Those authorities were fighting like ferrets in a sack after the first day, and I should know because I was there. That says something about the ineffectiveness of local government in Gloucestershire. Furthermore, when the inspector published his report, he suggested three sites, including Javelin Park, could be part of the answer if we were looking for a mechanical and biological treatment centre. However, he did not see such a centre as the answer to Gloucestershire's waste problems, although that has been said.

Sadly, we have already seen the results of what has been going on. An interesting experiment has been going on in the Stanleys wards in my constituency, which has been composting food waste. The district council, which is Conservative run, has just announced that it intends to stop that experiment—it is certainly not introducing it across the district. That is entirely down to the fact that it is prejudging what will happen to that waste—that it will be taken to an incinerator and burned. As my hon. Friend the Member for Gloucester said, that is the very negation of the way in which we should collect and dispose of waste.

Lastly—I shall be very careful what I say—the Select Committee on Environment, Food and Rural Affairs is looking at the issue of waste, as my right hon. Friend the Minister knows. Mary Newton from Gloucestershire Friends of the Earth, who has helped us greatly, has submitted a paper, which I advise everybody to read. It is fair to say, without going into details, that the days of incineration have largely gone. There are better alternatives, and different ways to do things, and I hope that that approach is what the Select Committee will propose; I cannot pre-empt its final report. An old technology is being foisted on some people in Gloucestershire, for all the wrong reasons. I hope that my right hon. Friend can help us, and get some sense put back into the county of Gloucestershire, because it is sadly lacking at the moment.

12.50 pm

The Minister of State, Department for Environment, Food and Rural Affairs (Jane Kennedy): I am delighted to be here this afternoon, Mr. Pope, debating this subject, in which I know you take great interest. I look forward to visiting the wonderful constituency that you have the honour to represent, to see the Chic Sheds project, which is one I recommend to all Members of the House, for its maximisation of resource use.

My hon. Friend the Member for Gloucester (Mr. Dhanda) has provided an opportunity today to debate an important subject. I know that my right hon. Friend the Member for Oxford, East (Mr. Smith) has asked several questions about people's concerns about regeneration. In particular, he has explored concerns about bottom ash. I cannot give him a detailed response to the question that he asked this afternoon, but I can offer to write to him with further details. I assure him that we need to find answers to some of the concerns in the public's mind about the kind of technology in question, if we are to make progress in meeting the tough targets we have set ourselves—and, indeed, that the European Commission has set—for landfill reduction.

The Gloucestershire private finance initiative scheme is an instance in which the Government have made funding available through PFI credits. However, the choice of technology and the location are a local decision. Decisions on how to manage waste and meet targets are a matter for each authority, and rightly so. The Government do not generally have a preference for one energy-from-waste technology over another, with the exception of anaerobic digestion for treating food waste, and it is important that plans for all waste facilities should emerge from local waste strategies, so that all options for reuse, recycling and composting can be explored first. The technology choice needs to reflect local circumstances, which will vary, and it is the responsibility of local authorities to decide on the most appropriate solutions for their areas.

The Government are fully committed to managing waste in the most sustainable way, by preventing waste, and by recycling or composting as much of the unavoidable waste as possible. However, the country needs residual waste treatment infrastructure as well. There will always be some residual waste, even after the significant increases that we all want in waste prevention, reuse and recycling. Our preference is to manage that waste as far up the waste hierarchy as possible, with energy from waste ranking higher than landfill, which is the end of the line. Reducing our reliance on landfill is an essential part of the drive to tackle climate change. A combination of all the activities I have mentioned is essential to ensure that we meet our obligations under the EU landfill directive.

Generating renewable energy from residual waste has energy and carbon benefits, through avoiding greenhouse gas emissions from landfill and with energy from the biodegradable fraction of waste displacing fossil fuel-based power generation. Our aim is to maximise the generation

[Jane Kennedy]

of renewable energy recovered from unavoidable residual waste, as demonstrated in a range of measures in the Energy Act 2008 and set out in our forthcoming renewable energy strategy. All PFI projects, however, need to highlight their continued ambitions for waste minimisation and recycling, such as Gloucestershire's aim of reaching 60 per cent. recycling by 2020.

Mr. Dhanda: That is another statistic that keeps getting regurgitated locally, in a way that is unfair, I think, to Government, because the local authority implies that the Government want only 60 per cent. as a target. There is nothing to prevent the local authority, if it chooses, from adopting a higher recycling level than 60 per cent. Is that not the case?

Jane Kennedy: My hon. Friend is right; as I have said, the development of the local waste strategy is a matter for local authorities. It is worth bearing in mind the fact that other European countries manage high recycling rates alongside incineration, of the order of 40 to 50 per cent. However, my hon. Friend is right; there would be nothing to put a cap on that ambition, other than making sure that the strategies were coherent and the infrastructure was in place.

My hon. Friend the Member for Gloucester asked what other technologies Gloucestershire county council might have examined, to determine what technology to adopt. There are other technologies, such as anaerobic digestion, which I have already mentioned. Gasification is another; that is combined heat and power. Mechanical biological treatment is another. Those are generally smaller installations, but are none the less viable alternatives. Even then, however, we look for flexibility in the final contract, so that ambitions such as Gloucestershire's are not capped by any new facility supported by PFI credits.

On the issue of Gloucestershire county council's waste proposals, the authority submitted an application to DEFRA for PFI credits to deliver new waste management infrastructure. Support for the project was provisionally approved by the Under-Secretary of State for Energy and Climate Change, my hon. Friend the Member for Lewisham, Deptford (Joan Ruddock), in August 2008. I was pleased to visit Stroud in October with my hon. Friend the Member for Stroud (Mr. Drew). We met farmers, but we also took the opportunity to look at the Javelin Park site. It is important to know that the project was considered by the Treasury-led cross-departmental project review group, which has provisionally approved it subject to certain conditions: those are the acquisition of a suitable site and making the project subject to PRG second-stage review during the later stages of procurement.

My hon. Friend the Member for Stroud asked whether the project was predicated on procurement of the site. The remit we give local authorities is that any authority bidding for PFI credits in such circumstances must offer a site to the market. It is the authority's decision which site to put to the market. However, may I clarify something? As part of the application process, all authorities must submit a plan based on a theoretical model that uses real figures and facts to demonstrate that the project is robust enough to proceed. That does not mean that the technology for the waste PFI project has been decided, but the plan is used to guide the procurement process, for the purpose of finding partners for a PFI project.

Mr. Dhanda: From what my right hon. Friend tells me, the authority is going through a process at the moment, but there would be nothing to stop it, or indeed another county council led by another political party—my own or any other—saying, "That is the path we were going along, but we have now changed our mind and will look at other alternatives." They could, technically, put a stop to the whole incinerator plan, could they not?

Jane Kennedy: That would obviously be entirely for a county council to decide. Gloucestershire county council could change direction, whatever political control it was under. I hesitate to take up my hon. Friend's suggestion that we might want to hold political parties to account for what they say. I should love to do that, representing a Liverpool constituency. The Liberal Democrats, more than any party in the House, should give closer scrutiny to what they claim locally and what they deliver. However, I shall resist the temptation to go down that route.

To ensure fair competition and maximise value for money, the Government require an authority wishing to secure PFI credits for a waste project to be able to offer a suitable site to the market. However, Gloucestershire county council opted to purchase the Javelin Park site. That does not mean that the site for the waste PFI project has been decided. It could be built at Javelin Park or elsewhere, and it could be one of a number of different types of plant.

Nepal

1 pm

Sir John Stanley (Tonbridge and Malling) (Con): I am glad to have the opportunity to initiate this short debate on Britain's relations with Nepal. I have no pecuniary interests to declare; however, I chair the all-party group on Nepal.

Just over a week ago, I returned from leading the first British Inter-Parliamentary Union group delegation to Nepal for 13 years. It is a happy reflection of the way in which the British IPU and our Parliament are regarded in Nepal that the group was received at the highest level. We had meetings with the President, the Prime Minister, the Foreign Minister, the Chairman of the Constituent Assembly and the heads of the army and the police among others. That visit made a refreshing contrast to my experience when I last led a delegation to Nepal, which was sponsored by the Foreign Office in March 2006. The former king, King Gyanendra, refused to see the British parliamentary delegation, choosing instead to receive the special envoy of President Fidel Castro.

The British IPU group's delegation was well timed, because it came at a critical moment in Nepal's constitutional and democratic development. Nepal is a young multi-party democracy, which has effectively been in existence for some 20 years, following the wise and far-sighted decision of the late king, King Birendra, to end the panchayat system and to usher in a new democratic constitution. Sadly, even over those 20 years, there has been a considerable threat to Nepal's multi-party democracy from the Maoist insurgency, which began in 1995 and continued for more than a decade, accompanied by some extreme and totally revolting brutality. It was threatened, too, when King Gyanendra suspended the Nepalese Parliament for more than four years. It was recognised to be not only a personal tragedy for the Nepalese royal family but a democratic and political disaster for Nepal that King Birendra should have been a subject of the mass family murder committed by Crown Prince Dipendra in 2001.

The challenges facing Nepal are substantial. The United States took many years to write its constitution, yet Nepal and its Constituent Assembly find themselves with barely more than a year before the agreed deadline of May 2010 to produce a written constitution and secure its approval. That Assembly has a considerable lack—an understandable lack, I stress—of experience and expertise in multi-party democratic politics. When we were in Kathmandu, we saw the impressive Centre for Constitutional Dialogue, which is part-funded by the Department for International Development. It is a valuable learning and resource centre for the Members of the Constituent Assembly. However, a great many members are effectively entering democratic politics for the first time. In addition, the Constituent Assembly has a multiplicity of parties. Some are narrowly based on geographical and ethnic factors. Beyond the Constituent Assembly, there are still some 20,000 former Maoist insurgents in cantonments. Although they have laid down their arms as agreed, they still retain the keys to the containers in which the arms are held under UN supervision.

Britain is Nepal's longest-standing friend—a friendship goes back for nearly 200 years. Happily, Britain continues to be regarded with high esteem in Nepal. Any number of references were made in our meetings to the British Parliament being the mother of Parliaments and a source of valued advice on democracy and due parliamentary process. I wish to make a number of specific suggestions as to how the Government may be able to assist Nepal in its present challenging position.

First, I judge that the single most difficult and intractable issue that the Nepalese constitution makers face is managing to combine the preservation of the unity and integrity of Nepal with the aspiration of ethnic minorities, particularly the Madhesis in the south, for a greater measure of autonomy. That is the Nepalese devolution question. Our country has a substantial reservoir of expertise on that matter, with the devolution arrangements made for Scotland, Wales and Northern Ireland. I ask the Minister to consider what help we can give Nepal at this critical time. I ask specifically whether the Foreign Office will consider sponsoring an outward visit to Nepal by experts in devolution or funding an inward visit for key members of the Constituent Assembly, who wish to be better informed about the possibility of establishing a viable structure of devolution in their country.

Secondly, something that appears no less intractable but which is, I think, capable of solution is the implementation of the commitment by the Maoist leader during the insurgency that the Maoist militants would somehow be incorporated into the Nepalese army. It transpired in discussions that that proposition has never been put individually to the 20,000 or so Maoist insurgents in the cantonments. In my judgment, when it comes to individuals making a choice, and if they are asked whether they wish to join the regular army, to serve in uniform and be subject to military discipline and the rigours of the military life, the majority are probably unwilling to go down that route. However, they wish to stay on the Government payroll, as they are at the moment. Alternatively, they might be attracted to training possibilities that would give them a marketable skill and enable them to conduct successful business in the private sector.

On the latter point, may I put the following proposition to the Minister? When I was the Armed Forces Minister, I made a number of visits to Nepal and saw at first hand the extremely successful work done by the Brigade of Gurkhas in Nepal in preparing Gurkha officers and soldiers for civilian resettlement. They had in place a series of training programmes, which came to an end a few years ago, when Gurkha resettlement was transferred to the UK. However, those skills and that expertise must remain in Nepal and with the Brigade of Gurkhas. Will the Minister therefore explore whether, drawing on those retraining facilities, the Brigade of Gurkhas could be of assistance in enabling at least some of the former Maoist insurgents to receive good-quality training for civilian life and so be able to pursue worthwhile occupations as civilians?

I come to some of the more technical aspects of the constitution, such as the electoral procedures for achieving free and fair elections and the need to establish properly conducted parliamentary procedures. Again, this country has a huge range of expertise to offer on those matters. It is said frequently that this country has no written constitution, which is technically correct, but we do have in writing a huge body of statute and procedural law laid down, for example, in the Standing Orders of

[Sir John Stanley]

both Houses, which is effectively part and parcel of the written form of our constitution. Again, will the Foreign Office consider sponsoring an outward or inward visit for those in the Constituent Assembly who want to ensure that, on electoral arrangements for achieving free and fair elections and proper parliamentary procedures, the constitution benefits from our knowledge and expertise, if they so wish?

I come to the issue of enshrining in the constitution the fundamental requirements of human rights, especially those of women, children and those, such as the Dalits, with low or effectively nil caste status in Nepal, as well as other key rights, such as freedom of expression and freedom of the media. In Pokhara, we held two very valuable meetings with women's groups on women's rights, which, I am glad to say, were of an entirely cross-party nature, in Nepalese terms. We also had a valuable meeting in Kathmandu with Freedom Forum, a leading Nepalese non-governmental organisation, on the freedom of the media. We also have much expertise to offer on human rights and freedom of expression. I suggest to the Minister that the Government consider proposing to the right hon. Member for Cynon Valley (Ann Clwyd), as Chairman of the all-party human rights group, that she lead a Foreign and Commonwealth Office-sponsored delegation to Nepal to focus on the human rights dimensions of its constitution.

A further critical issue is international development aid. Nepal is one of the poorest countries in the world with one of the worst incidences of child mortality. Development aid is crucial. We saw the value of the programmes run by the Department for International Development and, at the Baglung district hospital, how DFID funding is helping to improve maternity care and the quality of health care for children. In the high hills beyond Pokhara, we also saw what the DFID project for community forestry user groups, which is funded through its livelihoods and forestry programme, was doing to improve the quality of forestry, environmental protection and income streams to women and disadvantaged groups in the poor hill communities. I am glad to say—this is to the credit of the Government—that the UK is the largest single bilateral foreign aid donor to Nepal, and I hope that the Minister will assure us that that position will be maintained and, if possible, aid increased.

Unusually, for such visits, we achieved one significant change in policy. When the Maoist leader, Prachanda—now Prime Minister Pushpa Kamal Dahal—was engaged in the Maoist insurgency, he made a firm commitment that he would end the recruitment of Gurkhas to the British Army. During our meeting, I put it to him that he should consider abandoning that commitment and resume recruitment. I am glad to tell the Chamber that he said that he would do so. Following our meeting, his office put out a press statement to that effect. I am sure that the Minister, and his colleagues in the Ministry of Defence, will do everything possible to ensure that that commitment is adhered to.

Nepal is at a crossroads: the Constituent Assembly is in existence and has a blank sheet of paper in front of it for the compiling of the written constitution. That represents considerable progress since my last visit to Nepal in March 2006, when the Parliament building was behind shutters and the Assembly had not sat for four years. That was followed by the successful elections last year, for which Parliament contributed a British observer team led by my hon. Friend the Member for North-East Milton Keynes (Mr. Lancaster). Over the next year or so, Nepal will either succeed in writing and securing approval for its written, multi-party, democratic constitution, or relapse into deadlock, factional infighting and a possible resumption of the insurgency. Its two huge neighbours to the north and south—China and India—are watching attentively, with consequences unknown should instability rage again in Nepal. This is Nepal's hour of need, when it most urgently needs its friends, especially it longest-standing friend. I hope that the British Government will not be found wanting.

1.19 pm

David Cairns (Inverclyde) (Lab): I am grateful to the right hon. Member for Tonbridge and Malling (Sir John Stanley) for securing the debate and for inviting me to make a very brief contribution. It was an honour to visit Nepal in his company a couple of weeks ago, and I am grateful to the Inter-Parliamentary Union for facilitating and organising the trip.

In the long history of Nepal, it is no exaggeration to say that the next 12 months will be critical. This most ancient of countries has the astonishing opportunity to become one of the most modern and youngest countries in the world. There are key ways in which the UK Government can assist the process. For example, it can help with the writing of the constitution. The question of how Nepal will be federalised as a nation is at the heart of the biggest challenge that it faces. We offered some assurances from our own experience of devolution, but the right hon. Gentleman is right to say that even more can be offered. With my experience as Minister of State in the Scotland Office and the Northern Ireland Office, I thought that he was going to offer me up as a special envoy to Nepal, which might find favour in some quarters in Government. None the less, we must help in whatever way we can.

Integrating the People's Liberation Army into the Nepalese army is critical as well. Some 20,000 trained guerrillas are being kept as a bargaining chip should the negotiations not go as some quarters would like. That cannot be a force for stability, and we should offer whatever help and support we can.

Finally, the most important thing is for DFID to continue what it is already doing. We are the largest donor to Nepal, and we are making a real difference. We are demonstrating to the people of Nepal that stability, peace and democratic government can deliver material benefits, and that is what will ensure long-term stability in Nepal. A new country assistance plan is due, and the signals are that it is very promising. We will continue to support Nepal, which is the most important thing that we can do to help the country at this time.

1.21 pm

The Minister of State, Foreign and Commonwealth Office (Bill Rammell): I congratulate the right hon. Member for Tonbridge and Malling (Sir John Stanley) on securing this debate. Let me start by setting out its context. As he said, Nepal is now at a watershed moment in its history. The Nepalese people, through their

Constituent Assembly, have the opportunity to build a lasting peace and a democratic society, based on the rule of law, which serves their aspiration to live in a normal and stable society. As a close friend of Nepal, it is important that the UK provide all the support and encouragement that it can to the Nepalese people at this crucial time. Therefore, I thank the right hon. Gentleman and his colleagues for visiting Nepal as representatives of the British group of the Inter-Parliamentary Union. From what I have heard, the visit was both constructive and helpful.

The UK and Nepal have enjoyed close relations since the first British resident was posted to Kathmandu in 1816. The British remained the only foreign diplomatic presence in the capital for well over a century. As the right hon. Gentleman said, we are viewed as firm friends and as a respected source of impartial advice and support.

Let me now turn to a few areas in which we have helped the Nepalese Government and their people. Both the right hon. Gentleman and my hon. Friend the Member for Inverclyde (David Cairns) referred to development aid. Nepal is one of the poorest countries in Asia and the 14th poorest in the world. The UK is the largest bilateral donor to Nepal, contributing £55 million in 2007-08. As long as this Government, with their massively increased aid programme, remain in power, such donations will continue as a priority. That support is aimed at helping Nepal achieve the millennium development goals, as well as supporting the ongoing peace process.

As the right hon. Gentleman is aware, foreign direct investment in sectors such as hydropower, industry and tourism has the potential to create new jobs and lift many more people out of poverty. The key to jump-starting that will be a more stable business environment in Nepal, which, above all, requires a visible improvement in public security. That must remain the top priority in the coming years, and we will do all that we can to help achieve that. On their visit, I am sure that the right hon. Gentleman and my hon. Friend saw that the British Council is also an active and engaged player, helping to develop international engagement and educational opportunities in Nepal.

Let me turn to the broader peace process in Nepal, which rightly attracts a lot of international concern, and which we monitor extremely closely though our embassy in Kathmandu. That peace process has made impressive progress since the signing of the comprehensive peace agreement in November 2006. Nepal held its first democratic elections in nine years in April 2008. The UK played a leading role in galvanising, funding and co-ordinating international support for those elections. We also played a significant role in supporting the international observation of those elections, including providing two Members from this House and two from the other place.

The Constituent Assembly that was elected to write Nepal's new constitution is the most representative legislative body in the country's history. Unfortunately, since its first meeting last May, at which it abolished the monarchy and declared Nepal a federal democratic republic, progress has been slow. Nevertheless, we will do all that we can to support the work of the Assembly in drafting a new constitution and we urge it to take this work forward in 2009.

A Maoist-led coalition Government were eventually formed last August. Unfortunately the consensus between the main parties that allowed the elections to take place has subsequently and regrettably weakened. We are doing all that we can to encourage the parties to work together in a co-operative way to bring Nepal's peace process to a conclusion and to agree the new constitution. A consensus needs to develop among political parties and between parties and society on their future vision for the country, and we will do all that we can to support that process.

The integration issue is also critical. The future of more than 19,000 Maoist ex-combatants and of the Nepal army remains one of the crucial elements in the ongoing peace process. It is clear to all observers, including those in Nepal, that the current limbo is not sustainable and that the cantonments that house the former rebels cannot persist for ever. As a first step, those whom the UN disqualified as legitimate combatants, including some 3,000 minors, should be discharged without further delay. Although it is for the Nepalese to decide how to take the process forward, it still falls to us to help if the Nepalese Government so wish. For example, the UK Government stand ready to offer technical support and guidance if it is needed by the Nepalese Government. We are also doing what we can to assist the Nepalese with security sector reform, which is another crucial area. We have already done some work on managing the civil oversight of the Nepalese army by helping to strengthen the Ministry of Defence. We are willing to take that forward under the new Government.

Let me try to respond to some of the specific questions that have been raised. The right hon. Gentleman asked what help we can give to support—for want of a better phrase—the devolutionary process within Nepal. That is a matter for the Nepalese Government, but we are ready to offer support if that is requested. In the meantime, we are supporting ongoing work to gather public opinion on the future constitution, and we stand ready to provide technical assistance if it is needed.

The right hon. Gentleman also raised the question of Gurkha resettlements. That is a matter for the Ministry of Defence. None the less, it is an interesting suggestion. Following this debate, I shall write to my counterpart in the MOD, raising that issue. The right hon. Gentleman mentioned the issue of inward and outward visits in order to help build democracy in Nepal. As I said earlier, we are ready to offer technical expertise if that is requested by the Constituent Assembly and by the Government.

The right hon. Gentleman also raised the suggestion that my right hon. Friend the Member for Cynon Valley (Ann Clwyd), in her capacity as Chairman of the all-party human rights group, might visit Nepal. That is something to which I shall give consideration. If he is agreeable, I shall write back to him when I have reached a decision. Therefore, constructive progress is being made. We are ready to do all that we can to support that process.

Finally, let me address the crucial issue of human rights. It is rightly an issue that attracts a lot of interest from parliamentary colleagues. We regularly raise human rights concerns at all levels and co-ordinate with other international and domestic partners to put across the message that protecting human rights is the cornerstone to ensuring that peace is both sustainable and based on democratic values. We welcome the establishment of

[Bill Rammell]

the National Human Rights Council. The NHRC's unique constitutional responsibility to protect and promote the rights of Nepalese people makes it an essential part of a strong national human rights protection system. We encourage the NHRC to continue to work closely with the Office of the High Commissioner for Human Rights and to draw on the expertise available within Kathmandu to develop its own capacity. The signing on 20 February of guidelines on co-operation between the two organisations should provide the basis for future co-operation.

In conclusion, there is a long-standing relationship between this country and Nepal. It has served us well in a variety of ways. We have contributed to the development of Nepal. At this critical juncture, we will continue to do all that we can to support the development of that important country.

Election Observation

1.30 pm

Mr. Bruce George (Walsall, South) (Lab): The late Samuel Huntington elaborated the theory of the three waves of democratisation, the latest of which was the events of 1989, which resulted in swift democratisation in east and central Europe and parts of the former Soviet Union. The wave affected not only the Organisation for Security and Co-operation in Europe area, but Africa, Asia and Latin America. Regrettably, some countries have regressed, but others have become more democratic.

Clearly, time forbids any discussion in any detail of democratisation, elections, human rights, and good government. *The Economist's* intelligence unit report divides Governments into full democracies—we are 23rd out of 27—flawed democracies, hybrid regimes and authoritarian regimes. Many countries claim to be democratic, but Andrew Wilson entitled his recent book on the former Soviet Union, "Virtual Politics: Faking Democracy in the Post-Soviet World".

We want democracy to be promoted and sustained. Whatever one's definition of consolidated or full democracy, or whatever people think are the components of democracy, elections that meet international standards are integral to the process. Without elections, there is no real democracy—although I admit that there can be authoritarianism with elections—and there cannot be proper elections unless they are properly observed. One can pay great tribute to international organisations such as the Office for Democratic Institutions and Human Rights, the United Nations, which does much less in election observations having subcontracted its role, the European Union, the Organisation of American States, the African Union and some great non-governmental organisations on all continents. Those organisations, be they international or regional, or NGOs, contribute enormously to the process of democratisation.

Unfortunately, democratisation and election observation have been suffering as a result of two major threats. Russia, which as the Minister well knows does not have free and fair elections—I prefer to say that it does not meet international obligations—has embarked on a concerted attack on ODIHR. It wishes either to downgrade ODIHR or for it to have standards more like those of the Commonwealth of Independent States, which means spurious standards or no standards at all. That has been debilitating for ODIHR, which is constantly fighting off Russia and its many allies. In meetings of the OSCE, in ministerial and ambassadorial meetings in Vienna, and in any forum in which the Russians can do so, they try to embarrass ODIHR and its election observations. I headed an election observation mission to Russia. It was a flawed election, but the Russians moralise about how elections should properly be conducted.

That process culminated in the events of a year or so ago, when the Russians made it impossible for ODIHR to observe their presidential elections—in essence they told ODIHR that they did not want the organisation to be present. ODIHR said:

"The Russian Federation has created limitations that are not conducive to undertaking election observation in accordance with our mandate."

By inviting ODIHR to the elections late, the Russians unilaterally deconstructed the organisation's methodology, which is the best in the world. Its method is to be present two and a half months before the elections—it does not simply look at elections on the day. ODIHR also leaves people behind to look at the immediate post-election environment. Those things were was not possible.

Unfortunately, the OSCE Parliamentary Assembly thought that that gave it an opportunity to shine, and the Council of Europe followed suit. Their joint report shows clearly why election observations by such parliamentary assemblies are shallow and why observations should not be carried out in such a way. They need ODIHR.

Looking at the situation from outside, I can see that it is not quite as bad as it was. Although the relationship between Russia and ODIHR is less bad, there is a second villain: the OSCE Parliamentary Assembly, or, more specifically, its secretary-general, Spencer Oliver, and his staff, who were loyally packed without competition, and a number of senior Members of Parliaments of a number of countries. It is more debilitating to be attacked by a fellow OSCE institution. We expect the Russians to be obstreperous, but we should not expect it from the OSCE Parliamentary Assembly.

I obtained a document from ODIHR, which was in essence sent by Spencer Oliver, which states:

"The Parliamentary Assembly, which has played the leading role in election monitoring since"

being told by the Swedish Foreign Minister that it is in charge of election observation,

"should clearly be placed in charge of OSCE election observations. ODIHR can and should, as foreseen in the"

1997

"Cooperation Agreement, play a subordinate and supportive role."

Since that time, the Parliamentary Assembly has been truly obstreperous—I have compiled a list of what it has been doing. I observed the parliamentary elections in Georgia last year and saw exactly what its observers were doing from close by. It clearly wants to supplant ODIHR as the principal organisation and reduce it to a supportive role, and it is colluding with the Russians to achieve that objective.

It is difficult enough to observe the elections, because the Governments who are being observed do not want to be observed. Their acts of fraud are becoming increasingly sophisticated, so observers have to be on the ball and they need a good methodology, as ODIHR has. ODIHR needs to work closely with the OSCE Parliamentary Assembly, but it cannot. There is an important role for the European Parliament and its election observation work, and for the Parliamentary Assembly of the Council of Europe. As I said, people need to be on the ground two and a half months before the elections. It is difficult to observe elections of perhaps 200, 250 or 300 people, but it is almost impossible when people have to watch their backs and fronts for people who are trying to destroy or marginalise them. Those are two of the major difficulties facing ODIHR: the Russians and their allies, and the OSCE Parliamentary Assembly.

I hope that the OSCE Parliamentary Assembly recognises that the 1997 co-operation agreement and the authorisation on how to observe elections given by the Foreign Ministers are the basis on which it has invented a role for itself. Doing so in the face of the written evidence is fanciful and reflects a delusional approach to election observation. I hope that the Government and other democratic OSCE Governments will seriously stand up to the debilitation of ODIHR, which is a wonderful organisation.

Thirdly and controversially, the Foreign and Commonwealth has cropped up as a potential villain. I listed a number of organisations and countries that are undermining election observation, so one may ask why on earth I am adding the FCO to the list when it has been at the forefront of promoting democracy and elections that meet international standards, not only in OSCE states, but almost everywhere else. The FCO's personnel and the people whom it appoints are of very high quality. I have observed people such as Audrey Glover, the former head of ODIHR, and Julian Peel Yates, who have headed elected observation missions; Brits who have been deputies to the heads of election observation missions; and long-term and short-term observers funded by the Foreign Office. Over the years, we have provided 10 per cent. of all the observers requested by ODIHR following a needs assessment mission. They are skilled, trained, experienced personnel—policy analysts, ex-Members of Parliament, academics—who are incredibly well qualified and have attended training sessions organised by Electoral Reform International Services.

So why criticise the Foreign Office? From a number of sources abroad, I gather that plans are afoot, and that the Treasury, obviously, is leading the charge. The declining value of the pound and increased UN peacekeeping commitments are having a knock-on effect on the FCO's commitment to democratisation, human rights, good governance, elections and election observation. It is truly astonishing that the FCO has been put in such a situation, which is not its natural role. I have heard that the 10 per cent. quota could well be abandoned and that secondees could be withdrawn. I leave it to my hon. Friend the Member for Manchester, Central (Tony Lloyd) to expand on that, as he is far more knowledgeable about it than I am.

All that is being done behind closed doors. Who has been consulted? Have Members of Parliament or the OSCE assembly been consulted? I think not. It is a back-room job and the consequences could be disastrous. As I have said, the bureaucratic leadership of the OSCE Parliamentary Assembly can be coped with eventually, but the Foreign Office inspired by the Treasury is a different kettle of fish. All the good work done could be dismantled, and the vacuum could well be filled by those great democracies Kazakhstan, Uzbekistan and certainly Russia, because the numbers are increasing. I am sure that my hon. Friend will elaborate on that, as well.

I am informed that the cuts will bite in the next financial year, which begins three weeks from now, although I hope that the monitoring of forthcoming elections in Macedonia, Moldova and Montenegro will be secure. After that, we are out of the business. We can be certain that others with the necessary financial resources, such as the Russians, will fill in. What will happen to those going through difficult Treasury-led reassessments? I could name a number of countries in a parlous state that might well say, "Well, if the Brits have pulled out, why can't we?" That would be desperate, and it must be

[Mr. Bruce George]

avoided. Otherwise, we will move from being at the top of the premiership of contributors to democratisation around the world to the old Beazer Homes league, or to Sunday league football in Walsall. The Foreign Office and the UK are ill-fitted to drop down the league quite so quickly.

I urge the Minister to be open with us and to tell us the sources of the current crisis; perhaps I have got it wrong. What could the consequences be? What are the Foreign Office's options? What consultation has been held with the OSCE and, especially, with ODIHR and with Members of Parliament? What is the cost of sending observers to strange parts for the FCO? The people who go are trained by Electoral Reform International Services and other organisations. Off they go, those skilled people. They do not stay in four-star hotels, they do not receive a large per diem and they do not travel in style. They are genuine people trying hard to serve their country and democratisation.

Will the FCO or the Government find the money to fill the vacuum? I do not mean just until the end of the financial year. I do not want to irritate the Department for International Development, but it is strongly into peacekeeping and democracy building; it even funds election observations, and its budget is larger than the FCO's. Its major role is developmental and elections are an essential component of the development process. However, my concern is that we are not just dealing with a cost-cutting exercise vis-à-vis the OSCE. What will happen to EU election observation, UN democracy-building and the Commonwealth? Perhaps those will be spared. I suspect that some will not.

I conclude with three very good quotes:

"I am unapologetic about a mission to help democracy spread through the world".

"Most democracies that fail do so during the first few electoral cycles... Democracy needs to be nursed through its early years".

"As a world leader in aid, we can ensure that aid supports democracy and good governance".

Those are not my words; they were uttered by the Foreign Secretary last year. His Department has now threatened to cut much more of its budget. If that happens, it will be detrimental—indeed, despicable. I have been informed by people from all over the OSCE region who cannot believe that it is happening. I know that in the current economic crisis, everyone is hurting, but the annual cost of sending observers to the OSCE is almost peanuts. In any economic downturn, it is fledgling democracies that need support, because they are the most vulnerable. We do not want a reversion to the old order in countries in eastern and central Europe.

Even consolidated democracies are not immune to pressure at the current time. I estimate that present annual budget spending by the FCO on election observation in the OSCE is not much more than £1 million. Are we risking our hard-built reputation for that? Surely not.

1.46 pm

Tony Lloyd (Manchester, Central) (Lab): I shall be brief, as I know that the Minister has a lot to say. I endorse a considerable amount of what my right hon. Friend the Member for Walsall, South (Mr. George) said. The British Government's commitment to the OSCE over the years has been absolute. Britain has been one of the major contributors to the OSCE, both in its founding days and more recently, although there has been a reduction in the number of UK-financed secondees to the OSCE family in recent years. From some 113 people seconded directly to the OSCE in 2004, we are down to 14 this year, plus a few more in other areas.

That is regrettable. If this country is not at the forefront of saying that the OSCE must be made to work, we might find that others took that view. Some 67 per cent. of the OSCE's international staff are secondees. It relies on countries such as Britain to provide high-quality people to make it work. My right hon. Friend made a point about election monitoring and the importance of the Office for Democratic Institutions and Human Rights, which he rightly calls the jewel in the OSCE crown. It would be a tragedy if our Government withdrew their commitment to filling 10 per cent. of placements in ODIHR.

It would be equally regrettable, however, if we were to divert other secondees. Two posts filled by UK nationals illustrate that problem. At present, Stephen Young is the head of the military monitoring operation in Georgia. After the events of last year, no Foreign Office Minister is going to stand up and say that that operation does not matter. Having a high-quality UK staffer filling that post is vital to our national interest. I could mention many other people, but one such is Henry Bolton, the senior border issues adviser at the OSCE's conflict prevention centre. His work touches on the situation in Afghanistan, where we have vital national strategic interests. It would be crazy to lose those secondees.

My right hon. Friend is absolutely right about election monitoring: we need to keep the secondees there. My plea to the Minister is not to let the election monitoring secondees disappear or accommodate that by getting rid of secondees to the OSCE more generally, as that would be foolish for Britain's national interest.

1.49 pm

The Minister of State, Foreign and Commonwealth Office (Bill Rammell): I begin by congratulating my right hon. Friend the Member for Walsall, South (Mr. George) on securing what is a genuinely important debate. The promotion of democracy continues to be a high priority for the Government and, as is clear, a topic of utmost interest to Members on both sides of the House. That is not just because it is the right thing to do, but because it is fundamentally in our interests, as my hon. Friend the Member for Manchester, Central (Tony Lloyd) has pointed out.

Democracy allows competing interests and grievances to be channelled through politics rather than through violence, and it remains the best investment in prosperity and stability. It is also the best insurance policy that we have against famine and war. Spreading human rights and democratic accountability is integral to what we do, whether in the functioning of international organisations such as the Organisation for Security and Co-operation in Europe, the United Nations and the European Union, in our work for peace in the middle east, or in our consular work around the world. Such work includes support for prisoners facing execution, for the victims of forced marriage and regarding children who have been taken abroad illegally by a parent.

According to global polling by Gallup, eight out of 10 people want to live in a democracy. That figure is closer to nine out of 10 in Africa. When a country such as Afghanistan, which has not had an election for 30 years, can inspire 8 million people—70 per cent. of the electorate—to vote, and when countries such as Indonesia and Turkey are finding their own way of marrying democracy and Islam, it is right and necessary to assert the universality of democratic values. That is especially necessary when we consider that, in some parts of the world, the march towards democracy has slowed, or has even gone into reverse, and that the marriage of economic and political freedom has been questioned. We have heard as much talk of democratic recession as of democratic growth.

My right hon. Friend raised a number of concerns about Russia, where there has been a shrinking of democratic space, including restrictions on civil society and the ability to protest. Certainly, the situation in the north Caucasus remains fragile and vulnerable to human rights violations. We raise our concerns with the Russians regularly, and our most recent bilateral human rights consultation was in January. We are particularly concerned about the lack of media freedom in Russia, as a strong, independent media is essential to fostering and protecting democratic freedoms there, as elsewhere. It is a reality that journalists have been subject to pressure from the authorities and that many practise self-censorship of their work, which is of genuine concern. Russia must be clear that its membership of the OSCE carries a wide range of responsibilities and obligations, and we will continue to make that point to our Russian counterparts.

We recognise that human rights and democracy are a work in progress, whoever we are and in whatever country we are, including this country. However, we have a role to play in promoting democratic values, and we devote substantial resources to that, as the annual human rights report by the Foreign and Commonwealth Office shows. For example, we have completed a project with the Department for International Development to develop the capacity of political parties in Zambia to understand their responsibilities and obligations in the electoral process. That project has helped to raise the confidence of the public and of political parties in the credibility of that important election process. We also support election monitoring across the world through the OSCE, the European Union and other international organisations. By monitoring elections, we discourage fraud and voter intimidation, and we fundamentally increase voter confidence. Election observation can be a key tool in conflict prevention and in post-conflict reconstruction and rehabilitation.

The promotion of democracy is not just about elections, important though they are. It is also about the work that we do to give a voice to civil society, to secure freedom of expression and to enable people to demand change. It is about building the rule of law, about the accountability of the judiciary, the military and the police, and about the capability of political parties. That is why we strongly support the work of the OSCE and its Office for Human Rights and Democratic Institutions. Since the early 1990s, that organisation has carried out a wide range of vital work in support of human rights and democratisation in the former Soviet Union and the Balkans, at the centre of which are its election observation activities. I share my right hon. Friend's high regard for that organisation, and I certainly appreciate the key role that he and other hon. Members have played. We regard ODIHR as the foremost authority in this field, and we have taken on board its advice in the past. Following the recommendations of OSCE observers at our general election in 2005, we amended UK electoral law to allow election observers to be present in polling stations.

I agree with my right hon. Friend that ODIHR and its election observation activities have come under attack from Russia and her allies in recent years. Efforts have been made to limit the scope of ODIHR's activities and the size of its monitoring teams, thus limiting its effectiveness, which is a cause for concern. We were very concerned that Russia effectively barred ODIHR from monitoring its last set of parliamentary and presidential elections, and we and our EU partners have made that point very clear. We are committed to working with like-minded OSCE partners to resist any further attempts to dilute ODIHR's activities; and we are aware of the differences of opinion between ODIHR and the Secretariat of the OSCE Parliamentary Assembly over the leadership of election observation missions. Clearly there is scope for both parliamentarians and ODIHR to play a role, but our view is that neither side should lead the other. That is made clear in the 1997 agreement between the Parliamentary Assembly and ODIHR, and in the 2006 ministerial decision on election observation. We have repeatedly urged both sides to work in partnership and to maintain the reputation for objective, thorough and professional election observation that they have established.

I understand my right hon. Friend's concerns about the influence of the Parliamentary Assembly's Secretariat on OSCE election observation. It is not in our interests for the effectiveness of OSCE election observation to be undermined. On the contrary, we support any measure that is geared towards strengthening its effectiveness. Ultimately, however, this is an issue for the Parliamentary Assembly to resolve internally. OSCE-participating states do not have the power to intervene in Parliamentary Assembly matters. On my right hon. Friend's concerns about the UK's contribution towards OSCE election monitoring, I should like to reassure him that we will send UK observers to the forthcoming elections in Macedonia, Montenegro and Moldova. It remains our intention to continue sending observers to future election observation missions, and we are exploring ways of doing so.

On our secondees to the OSCE, it has become clear that the UK's share of the costs of international peacekeeping operations will be higher in 2009-10 than in previous years. That is caused principally by two factors, one of which is new peacekeeping activity, which reflects a positive trend. One example is the move in the UN mission in Darfur towards a full-strength operation. The second factor is exchange rate changes. We are billed by the UN and EU in US dollars and in euros, which has clearly had an impact on our costs.

At a time when demand for UN peacekeepers is increasing—the number of UN-deployed troops has increased fivefold in the past eight years—we have to meet our obligations and commitments to the UN and other international organisations. The Government are therefore reviewing the range of their conflict-prevention, peacekeeping and stabilisation activities as part of an annual exercise to make decisions about activity in the

[Bill Rammell]

coming year. The increasing cost of international peacekeeping means that we need to prioritise carefuliy the money that we spend on other UK programmes, including secondments for international election observation. We are working to ensure that our conflict-related activity is rigorously prioritised in light of changing demands and the requirement that we meet our share of the common costs of international peacekeeping activity. Those decisions will have an impact on the amount of money available to support election observation beyond 31 March.

That is what my written speech says. I am not the Minister with direct responsibility for this area, but I am taken by, and conscious of, the arguments that have been put forward this afternoon. The amount spent on our election observation mission is about £600,000, and I think that we need to consider this area carefully. We are all affected by the impact of international economic affairs, fluctuations in the exchange rate and the increase in peacekeeping operations, but I take the point that our self-interest and international standing are both fundamentally affected by our contribution to international election observation. I have received a strong message from today's debate, which I shall take to the FCO and discuss with my right hon. Friend the Minister for Europe, who is responsible for these matters. I hope that we can find a way forward that will address the concerns that have been raised today.

Question put and agreed to.

1.59 pm

Sitting adjourned.

Westminster Hall

Wednesday 4 March 2009

[JOAN WALLEY *in the Chair*]

Iran

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mark Tami.)*

9.30 am

Joan Walley (in the Chair): It might be helpful to hon. Members if I point out that I am using the clock on the annunciator.

Mr. Ben Wallace (Lancaster and Wyre) (Con): I sometimes point out to the Whips that I follow a different clock, but they never seem to agree with me.

It is a great opportunity to have this debate on Iran. Perhaps this year more than any other it is vital to examine our policy towards Iran and consider where in our history we have failed, what we are really trying to achieve and whether we are going about it in the right way. I shall consider three different points: how to build trust, who to engage with and whether our current policies are working.

Over the next 12 months in Iran, there will be presidential elections, there is the potential for the first civil nuclear power station to come on line and there is the real and threatening possibility of enough nuclear material to make at least one nuclear bomb being in the hands of Iranians. If we consider those points alongside the fact that there is a new American Administration, a collapse in the oil revenues and a worsening security situation in Afghanistan and Pakistan, I think that we would all agree that the short-term challenges are considerable, to say the least.

I have been the chairman of the all-party group on Iran for more than two years. In that time, we have heard from a range of experts on Iran—contributors from the US Government, ambassadors, academics and trade unionists. Some contributors were pro the current Iranian regime, some were against, and some just wanted to share their wisdom. Only last month, we met a delegation of Iranian MPs from the Majlis, and more recently we met the Syrian ambassador. I visited Tehran with two of my colleagues, including my hon. Friend the Member for Aylesbury (Mr. Lidington), in July and I am due to go again soon. Our meetings are well attended by all parties and those from both Houses.

It is tempting to start with the usual speech about how historical and cultural the country is. I have heard it many times and it usual predicates the tit-for-tat rhetoric that we so often hear when dealing with Iranian issues. I think that it is sufficient to say that Iran is an ancient cultural and strategic power that we cannot afford to ignore or to fail in our efforts to improve relations with. The new world order needs Iran to become not only a member, but a player. Too many of our discussions about Iran are bogged down in the past. We should start by recognising that Britain's role in Iran over the past century has, on balance, been more harmful than benign to many of the people of Iran. We have made mistakes. It was wrong of us to back Saddam Hussein in the horrendous Iran-Iraq war of the 1980s. Insult was added to injury when the indictment against Saddam Hussein only dealt with his crimes against Iraqis; no mention was made of the gas attacks on Iranian civilians and military forces.

Even though I was only eight at the time of the revolution and 10 during the Iran-Iraq war, I was deeply struck on my recent visit in July by how that conflict dominates so much of Iran's society today. The tragedy of our policy in the west is that we still do not see Iran as it sees itself, and we have not communicated enough for Iranians to understand the way that we do see it. Too many people stopped the tape when the hostage crisis finished in January 1981, and as the Islamic revolution entrenched and western opposition hardened, it became in the interests of too many people in the US and Iran to maintain hostilities. Revolutionary hard-liners needed a bogey man to continue the momentum and consolidate their control inside Iran. The west wanted revenge for the loss of their placeman, the Shah. To this day, the revolution is used by many to justify policies on both sides. Such policies have failed to give Iran its place in the world and have also failed to ensure a stable middle east.

As a 38-year-old, it would be easy to feel old in Iran where the average age is 26, but, like most of its population, I just about have the luxury of youth when it comes to setting aside the past and focusing on the future. I have hopes for a richer, better Iran, just as I have hopes for a better Britain. So, let us talk about the future. In my dealings with Iranians, I have learned that the heart of the issue is trust. We do not trust them, and they do not trust us. Do they have cause to mistrust us? It is a matter of public knowledge that Iran helped us to bring down the Taliban in neighbouring Afghanistan. We have failed spectacularly to deal with the resulting explosion in the heroin crop that all too often finds it way on to the streets of Iran and its major cities.

Let us imagine what Iranian politicians feel when we try to do deals with so-called Taliban commanders whose day jobs are as drugs barons. However, when our soldiers in Iraq and Afghanistan are killed by devices incorporating Iranian components, we rightly feel that Iran exports terrorism. On the nuclear issue, Iran suspended enrichment in 2004 in the hope that the United States would engage, but unfortunately it was snubbed. Iran might ask why it should do it again. There are numerous examples on both sides. Do I think that Iran will admit its role or that the UK Government will admit their failures? I very much doubt it. We often dance around the rhetoric, and many of us have met representatives of the Iranian regime and members, and have sat for hours listening to the tit-for-tat rhetoric with little getting done apart from drinking coffee. The choice is simple: we can dance around the matter, or we can move in favour of starting afresh.

How do we build trust? We can start by accepting that whatever we think of the Iranian Government, we must accept that they are a legitimate authority. Even among Iranians who oppose the Islamic revolution or the current President, there is an acceptance that the Government in Tehran rules by consent. We should not engage in regime change or seek to subvert the Administration. If necessary, we should be prepared to guarantee their security. We must recognise that Iran

[Mr. Ben Wallace]

has rights, while at the same time supporting all its peoples' rights—and by "all" I mean rights relating to faiths, genders and race. Iranian rights and human rights can be compatible.

There are other issues that need resolving. At home, we are faced with pressure from some to de-proscribe the terrorist group the Mujaheddin-e-Khalq—or the People's Mujahedeen Organisation of Iran. The PMOI group has been active in terrorism since the 1970s, both inside and outside Iran. We should not forget that in the 1970s, it killed a number of US citizens and supported the storming of the embassy in Tehran. As well as acting as Saddam's death squads inside and outside Iraq, the PMOI has consistently waged attacks on the Iranian Government. As recently as January this year, the US Department of State reconfirmed the MEK as being a foreign terrorist organisation. I know that the UK Government support that listing and I implore them to keep the group proscribed, whatever it takes.

Mr. David Drew (Stroud) (Lab/Co-op): I congratulate the hon. Gentleman on obtaining the debate and I apologise for missing the first minute of it. We have been through this matter and had debates on the proscription of the PMOI, and universally the British courts and subsequently the European courts have decided to de-proscribe it. What evidence does he have that it continues to be a terrorist organisation?

Mr. Wallace: If the hon. Gentleman looks at the terrorism legislation of 2000, he will know that many of the court rulings are based on the legislation on proscribing an organisation. I think that proscribing is flawed. United States legislation is allowed to take on board whether the organisation still has the intent to cause acts of terror. Given that most of the leadership of the MEK and PMOI has not changed over a considerable period, it is not right to de-proscribe it. Of course, I respect the rule of law and therefore if the courts have said that, we have to follow the rules of the court. However, I implore the Government to reassess their terrorist legislation to ensure that when we proscribe organisations, we do so not just on the basis of what they seek to do at the current time, but on what they seek to do in the future and have done in the past.

Mr. Roger Gale (North Thanet) (Con): My hon. Friend said that the PMOI has been involved in terrorism since the 1970s. The High Court in the United Kingdom has heard all the evidence. Some of us were present in court but did not hear all the evidence because some of it was heard in camera. So the court heard all the evidence, as has the European Court, which has concluded that since 2002, the PMOI—the MEK—has not been involved in terrorism. What possible justification does my hon. Friend have for the remarks he has made?

Mr. Wallace: The statement I made in my speech about the activity of the PMOI comes from the Department of State's recent listing, in which it gives its reasons for proscribing—*[Interruption.]* I consider US intelligence to be important in making these decisions. Having personally been involved in actions against the Provisional IRA and the IRA, I recognise that the past is just as important as the future. I would be interested to know whether my hon. Friend the Member for North Thanet (Mr. Gale) voted for our colleagues in Sinn Fein to receive allowances when the matter was raised in the House. I suspect that—*[Interruption.]* That person did not, given that he is not an active member of a terrorist organisation, although I am sure that in the past he was. I would like to move on.

It is important that we recognise that the PMOI and the MKO represent a dangerous organisation at the very heart of Iran, no matter what people's views are on the regime. In fact, the supreme leader himself was blown up by the PMOI and lost one of his arms, and the second President of the Iranian Republic was killed. Imagine what Conservative Members would think of any deal with the IRA, had it been successful in killing half the Cabinet in the Brighton bombing. We must recognise that there are terrorist groups in Iran that would not help the cause, let alone move it forward.

The second question is, with whom do we do business with in Iran? People often ask me that because Iran, which does not have a political system like ours—no parties, no party leadership—is often driven by personalities and factions. Some would like to posture around the Iranian President, and some Iran watchers are toying with the idea of waiting for a new, perhaps more moderate President.

From the outside, no matter what Presidents look like or say, we should remember that the nuclear programme has gone on under reformist and conservative Presidents. We should recognise that the Iranian constitution makes it clear that power in Iran is nearly always, and always has been, with the supreme leader. It is the words and actions of Ayatollah Ali Khamenei that, in the end, can help forge a resolution. Constitutionally, it is he who controls the levers of the state—the courts, the media and the revolutionary guard—and even the President and Foreign and Defence Ministers must be vetted by his office.

My message to the new Administration in Washington and to the Government is to try to go to the top. Let us try to speak directly to the supreme leader. Let us ask him to put aside his role of speaking only to heads of Muslim countries, and to try to engage directly with the United States and to put aside historical preconditions, because that is the way to get some real resolution.

Perhaps because Iran is a revolutionary state, or perhaps because it is not governed by a party political system, parties, personalities and slogans take centre stage. Observers find it hard to distinguish gesture politics from real politics. A good example of the gap between official speak and actions is that in Iran it is illegal to have a satellite dish, but everyone has one. One can see them on driving down any road. As one diplomat once said, there is something very French about the Iranians.

If people believed every slogan, they would certainly think that they would be in danger going anywhere in Iran, but that is not the case. The Iranian people are friendly, approachable and engaging. We have to distinguish between slogans and reality. We are, perhaps, safer in Iran than in Saudi Arabia, so let us not get hung up on inflammatory statements made by the current President Ahmadinejad or on the "death to America" day, an annual event to which I have not yet been invited. If I

can live with a Bobby Sands avenue outside a British embassy, I am sure that other people can live with other gimmicks.

Perhaps the real hints to where Iran is are in the writings of supreme leader Khamenei. On the subject of future engagement with the US, only last year he said to students in Yazd:

"However we have never said that the relations"—

with America—

"will remain severed forever…Undoubtedly, the day the relations with America prove beneficial for the Iranian nation, I will be the first one to approve of that."

Regrettably, like several Islamic leaders, the supreme leader does not recognise the state of Israel, and that is a bad step for Iran and other nations. We must deal with today, and I agree with the right of Israel to exist. However, his words are not the same as the inflammatory language of the current President.

Dr. Stephen Ladyman (South Thanet) (Lab): Ayatollah Khamenei's language might not be the same, but the hon. Gentleman has already said that he is the supreme leader, and that he is the one who influences everything that goes on in that country. If he does not agree with the inflammatory language of the President, why does he not do something about it?

Mr. Wallace: There are two things to say on that. First, Presidents come and go, and there is no history of supreme leaders intervening with Presidents. It would not be in the interest of the supreme leader domestically to do that. However, when it comes to determining the significance of the threat from Iran, we need to look to the supreme leader rather than the President. The man who has the authority to declare war is the supreme leader, not the President. The constitution will guide us as to exactly when we should be worried about statements by Iranian leaders.

Mr. Edward Davey (Kingston and Surbiton) (LD): The hon. Gentleman is making a thoughtful speech. He has huge expertise in this area, and I want to ask his opinion. As he just said, the supreme leader has written that he would be open to engagement with America if it were to change its approach to Iran. Does he think that an opening-up to America and the west by Iran could potentially undermine the Iranian leadership and threaten its theological underpinnings and that, therefore, it might walk away, or does he think that it is more confident than that and that it is prepared to engage, even if that meant much greater opening-up to the west and interchange with it?

Mr. Wallace: I thank the hon. Gentleman for his intervention. I would agree with the latter suggestion. The supreme leader recently made an exception to his rule and met President Putin. Although President Ahmadinejad may feel undermined—we must remember that he came to power on a wave of nationalism and cheap shots—the supreme leader has realised that his strategy has failed. Iran has been weakened, and it has not made any friends in the middle east. The arguments between Egypt and Iran over the Hamas-Gaza problem demonstrate that Iran has become less popular in the middle east than it was at the start of the presidency.

The supreme leader is the one who can move things forward. I do not think that his position would be weakened hugely if he made such an attempt. Of course, Iran can always say no afterwards. It is the preconditions to engagement that have often held up talks—the requirement that Iran suspend its nuclear programme before talks, that kind of thing—and they do not move the process on. I am optimistic, but I do not underestimate the threat to Israel from Iran. I am not trying to say that it is all a bed of roses, or that the threat is a fiction—it certainly is not. There is a threat to Israel from Iran, and we have to deal with it in short time, before Israel exercises its right of self-defence.

Bob Spink (Castle Point) (Ind): The hon. Gentleman is making a thoughtful speech. In trying to build relations, gestures and actions are important, particularly in that part of the world. He will know that Iran's uranium enrichment programme could eventually lead to nuclear weapons. Does he think that if this country, given its long-term non-proliferation objectives, were to put the Trident decision on hold, such a gesture would help Iran to further its future objectives on the weaponisation of its uranium?

Mr. Wallace: First, my understanding of Trident replacement is that it will still mean a reduction in the number of warheads, so it is a move in the right direction. Secondly, even if one were advocating the suspension of Trident replacement, that is not the same as advocating unilateral disarmament. I do not think that the gesture would work.

One could argue that western nuclear powers developed their weapons in the 1950s because of fears of instability. Certainly the French felt that it was vital for them to find their place in the world and achieve stability in what had been a very unstable Europe. Perhaps that is one of the factors that drives some of Iran's neighbours to want nuclear weapons. Some may believe that a nuclear weapon will give them stability and a place at the top table. There are better ways of doing that, but, if my neighbours were Pakistan and Afghanistan, I would feel pretty unstable. I am sure that all of us would. However, the supreme leader is the man to do business with; history shows us that it is not the President.

What message can I give to Iran? What do the Iranian people need to hear from us to understand us better? First, the days of imperialism are over. Britain and the US do not want to make the Iranian people subjects, or to fill their country with spies and terrorists, which is often the first defence; we want Iran to be our friend. Iran must recognise that our fear of a nuclear bomb is born of the very modern desire for stability in the region.

I often ask myself why we in the west are so close to Wahhabi Saudi Arabia, when Saudi Arabia gives to Christians, Jews and everybody else fewer rights than even Iran does, and is less safe for us than Iran. Why is it that, over the years, we have been so close to Saudi Arabia? I am not even sure that Saudi Arabia officially recognises Israel either, so the only answer that I can come up with to my question is stability. Saudi Arabia provides stability in the region, and if Iran recognises that stability is the answer, it will also recognise that in today's west, we value that currency more than anything else.

Mr. Jeremy Browne (Taunton) (LD): I am grateful to the hon. Gentleman for giving way in what is an excellent speech. Do the Iranians also have an incentive to engage more with the west because President Ahmadinejad came to power on a wave of desire from the overwhelmingly young population to see some of the material benefits that people in the west enjoy? On the occasions on which I have been to Iran, what has been most striking is that the anti-American rhetoric is a far weaker impulse than the desire to own a Michael Jackson CD and a pair of Levi jeans. If we could show the Iranian people that engagement with the west was of financial and material benefit to them, and that it would allow them to take their rightful place in the wider world, surely that would be a powerful incentive?

Mr. Wallace: Yes, undoubtedly. If we had the time, economics, rather than sanctions and so on, would solve the Iran question, but, regrettably, we do not have that time. Ironically, one of President Ahmadinejad's slogans when running for election was that he would refine more oil and give the revenue to the poor. Unfortunately, I think that he has replaced "oil" with "yellow cake", because he now spends most of his money refining nuclear materials rather than benefiting his society economically. Interestingly enough, his popularity is not very high as a result.

Mr. Gale: A few moment ago, my hon. Friend said that stability was the most valuable currency in the west, and we recognise that. He implied that the Iranians should trade on it, but if stability was the most valuable currency in the west and we did not care about hanging people from the ends of cranes, and about human rights, we could argue that Saddam Hussein's regime was stable and, certainly, that Robert Mugabe's regime was stable. Is my hon. Friend in favour of that?

Mr. Wallace: My hon. Friend lets himself down with that sort of question. He has to answer the question of why in the middle east we have other allies that openly behead people in squares and do not respect human rights anything like as much as Iran does. We seem to do business with many of those countries at the same time. I said earlier in my speech that human rights are very important, but they are compatible with Iran's rights and we need to help Iran to recognise that. They are compatible with Islam too. It is remarkable that we trade with some of those other countries. The longest-term threat, which one hears about in Iran if one goes to the country, is Wahhabi Sunni Islam, rather than the Iranian regime. I said to the Iranians recently, "When you used your influence beneficially in 2006 to create a ceasefire between Hezbollah and Israel, you got closer to the top table than you'd ever been before. That is when you are powerful. When you use your influence the wrong way, such as with Hamas recently, you weaken yourself on the world stage and give no benefit whatever. It is a step backwards." If Iran recognises that influence can be benign for all of us, it will obtain much more currency with western powers. That is my main message to Iran.

In this day and age, powerful countries are not those that create mayhem or fear, but those that use their influence to resolve conflicts. If they do that, they can take their place in the world order, as they hope to do. Members from all parts of the House are united on the policy of trying to develop better relations with Iran, but we must be clear about our end goals and whether the E3 plus 3 strategy works. I am always amazed that we have an overall strategy towards Iran. The E3 plus 3 is the European powers plus the United States, China and Russia, but the Chinese sell missile guidance systems to Iran, and the Russians are currently refitting two attack submarines. That is a problem, so Iranians see the E3 plus 3 as weak.

Under George W. Bush's presidency, the E3 plus 3 was certainly leaderless; it did not have much strength behind its rhetoric. There is now a great opportunity for the United States, with a strong President who has a proper mandate, to help to develop clear leadership on policy towards Iran and not to give in to the neo-con wing that often undermined policy in the middle east and has been shown to have failed miserably. There is a real opportunity for President Obama to create a strong "3" to add to the E3, to enable us to achieve a resolution. We will know sooner rather than later—when the United States finalises its formal position on Iran—whether there are going to be preconditions for talks. I hope that there will not be. I have first-hand experience of having to talk to terrorists without preconditions; it is not easy and it is certainly not nice. However, some preconditions never work; they only play into the hands of people who do not want a resolution.

We must then examine the sanctions regime, because it strikes me that, historically, Iranians have been incredibly successful at trading. They were at the centre of trade routes for centuries, and they have already shown that, no matter what sanctions we try to impose on them, they are able to outwit them. They recently launched a satellite into space, they trade through Bahrain, which is opposite Iran and has a large Iranian ethnic population, and they are very canny traders. The problem is that sanctions help Iran's religious conservatives, who demonstrate in their teachings and writings that isolationism is the way forward, because it keeps the revolution pure. With sanctions, we prevent the economic growth that would help to reform the way in which young people look at Iran today.

We must make it clear to our Government that next time we come up with sanctions, either they must be uniformly applied or we should not go down that route at all. That is the problem: we start with a sanction and China and Russia do not back it. Recently, Switzerland signed a big contract with Iran to obtain gas. There is a problem delivering the gas, but the contract showed that, when push came to shove, Switzerland did not hang around to stop helping the Iranian regime. Indeed, the Italian Foreign Minister recently urged Italian companies to do more business with Iran—trusty Italy comes to the rescue on another subject.

We must understand that Iran is desperate to prove that it has rights in the world and is able to demonstrate those rights. We must assure Iranians that we are not going after control of their country: our rhetoric does not match our actions, and we need to bring the two into line. Britain is known by the Iranians for having soft rhetoric but hard actions, whereas the Americans are known for having tough rhetoric but an inability to carry out their actions. There is challenge to be met in respect of whatever policy we come up with, which will no doubt be formed in response to the policy of the United States in the next few months. I urge Her Majesty's Government to come up with a clear road map that is

strong, reinforced and shows Iranians the way, but at the same time demonstrates to Iran that we know that we could have done things better in the past.

10 am

Dr. Stephen Ladyman (South Thanet) (Lab): I congratulate the hon. Member for Lancaster and Wyre (Mr. Wallace) on his interest in this subject and on getting this debate. However, I view some of his words a little sceptically and I wonder whether he is looking at the Iranian regime through rose-tinted spectacles. I agree that we need to engage with that regime, that we need to win the trust of the Iranian people and that we need a bigger carrot than we are currently offering if we want to get that engagement, but I found his comments rather conflicting. He said, for example, that we needed to engage with the regime, whatever we think of it and whatever actions it has taken in the past. Yet he does not want us to engage with the People's Mujahedeen Organisation of Iran, because it may have past links to terror.

The hon. Gentleman asked the hon. Member for North Thanet (Mr. Gale), who is his hon. Friend and my parliamentary neighbour, whether he would have supported the Conservative Government's talking to Irish terrorists if they had succeeded in killing members of the Front Bench. I remind the hon. Gentleman that they did; they killed Airey Neave a few feet from where we are standing now. To the credit of the last Conservative Government, they engaged with Irish terrorists and started the process that we were able to conclude. If violence is in the past, as it would appear to be with some of the organisations involved with issues in Iran, which are operating outside that country and have renounced violence, we have to engage with them and give them a voice, because surely that is what being members of a democratic society requires us to do.

I do not consider myself a specialist in foreign policy and I rarely speak on the subject in this House. But I became exercised about our relationship with Iran and its influence in the middle east as a result of a visit to Israel and Palestine last year. During that visit, I heard first hand about the influence that Iran wields, particularly over Hamas and, increasingly, in the north with Hezbollah. In return for providing resources to those organisations, Iran expects them to engage in continued violence against Israel. There is no questioning that. If I had been told that on my visit only by Israeli politicians, I might well have concluded that they would say that, wouldn't they? But I was told the same thing by Palestinian politicians when I visited the west bank. Again, if those politicians in Palestine had all been members of Fatah or had links to it, I may have come to the same conclusion, because they have a dispute with Hamas. But I also heard it from Palestinian politicians with no links to Fatah and who are not beholden in any way to Fatah.

It is clear to me, from subsequent events—the actions that we saw as people tried to negotiate a ceasefire after the Israeli attacks on Gaza in January—that Iran is making its continued support for Hamas dependent on Hamas's continuing to allow, or turn a blind eye to, attacks on Israel. While those missile attacks on Israel continue, the Israelis will continue to attack Gaza and the dispute and the awful violence that is happening at the moment will continue. We have to detoxify that whole area if we are to make any progress.

We were getting somewhere in the north. I visited Israeli settlers on the Golan, who were saying, "We will give up the Golan to Syria as part of a peace deal and, for the first time, we believe that a real peace deal with Syria is within our grasp. We can do a deal with Syria. We understand that giving the Golan back to Syria will be part of that deal. And we will go. We, the Israelis who occupy the Golan, will go as part of a real peace deal." What has happened to that peace deal? Iran has exerted its influence again. It has started to try to build influence with Hezbollah and tried to make it clear to Syria that any continued relationship between Syria and Iran depends on Syria's not making any progress with such peace negotiations. This is the reality of what I have called Iran's toxic influence in the middle east. Until we detoxify that influence and get Iran to start engaging more positively and more constructively, we will never have a resolution to these problems.

How do we move forward? I mentioned to the Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Harlow (Bill Rammell), at Foreign Office questions a few days ago that Einstein said that it was madness for people to carry on doing what they are doing and expect it to have a different result. It is clear to me that what we are doing at the moment is not having the effect that we would like.

If I do not regard myself as an expert on foreign policy, I do regard myself as an expert on nuclear policy and nuclear energy. I can tell the hon. Member for Lancaster and Wyre unequivocally that the uranium enrichment programme in which Iran is engaged is unnecessary for peaceful use of nuclear energy in this world. I accept Iran's right to have a nuclear energy programme. I support nuclear energy in this country and I see no reason why it cannot benefit countries throughout the world. I would be 100 per cent. behind our engagement with Iran in helping it to build a peaceful nuclear energy programme. But it is not doing that. Iran now has enough uranium probably to build a bomb. It may not be able to construct the bomb yet, but that will come. It certainly has enough uranium to build a dirty bomb. Who can doubt, listening to the President of Iran's words, that, in this world, an Iran with a nuclear bomb would be a nightmare that all of us and our children should do everything in our power to avoid?

We have to start tightening up the sanctions. The hon. Gentleman was right. We have to make some of our partners in the E3 plus 3 a bit more honest about those sanctions. Russia is helping Iran to build one of its nuclear reactors and that has to stop. China is selling equipment to Iran that it should not be selling and that has to stop. Even in the European Union, Austria, Cyprus, Luxembourg and Greece are all putting their business interests in Iran before the interests of their citizens in the wider world. We need to deal with that in two ways: formally, within the EU, and by raising the rhetoric in those countries, so that the people there realise what their Governments are allowing to happen. I do not believe that the people of Austria, Greece and the other countries that I mentioned want Iran to have a nuclear weapon.

We must tighten up the financial sanctions. Our own Lloyds bank was found guilty of helping—inadvertently or advertently I will not say—Iran to launder money to get past the sanctions. Now we own a big stake in that bank. If any of those banks in which we, the British

[Dr. Stephen Ladyman]

Government, have a stake are found to be continuing to launder money on behalf of the Iranians, that would be the same as the British Government doing it. So it must stop.

We must tighten the sanctions to avoid Iran being able to get access to the financial sector and the City of London. I admit that we might have done slightly more harm to the Iranian regime by allowing its banks to become involved in the financial services sector over recent years, but we now need to ensure that they are excluded. We also need to tighten up our efforts through the United Nations and Europe.

I have decided to become involved in the debate for the reasons that I mentioned. We need to build trust with the Iranian people and we need a bigger carrot as well as a heavier stick. I encourage my hon. Friend the Minister and the Government to do more to involve the Arab nations in our effort to get Iran to engage constructively in the future, because they have as much, if not more, to lose from a nuclear-armed Iran as we have.

We need to tighten sanctions, and to make it clear to Iran that we are serious. We must explain our position to the people of this country so that they understand exactly how serious the matter is, and that taking action now will avoid the violence that will come if we are weak or lack resolve.

Joan Walley (in the Chair): Order. It may be helpful to tell hon. Members that I hope that we can start the winding-up speeches at 10.30. I see no problem with that, but I remind hon. Members so that everyone can speak.

10.10 am

Mr. Roger Gale (North Thanet) (Con): I shall be brief. I had not intended to speak and came to listen, but having done so, I am moved to comment a little.

When introducing the debate, my hon. Friend the Member for Lancaster and Wyre (Mr. Wallace) described the regime in Iran as legitimate, by which I assume that he means that it was elected. Hamas was elected, but I do not recall the United States or the United Kingdom legitimising that regime on the basis that it was democratically elected, so I can only conclude that one man's legitimacy is another's terrorism.

The People's Mujahedeen Organisation of Iran and the National Council of Resistance in Iran have been consistently and variously described as terrorists by the British Government and others, and there is not much argument that they have engaged in terrorist activity in the past. Forgive me, but Jomo Kenyatta was a terrorist. Someone called Nelson Mandela was regarded as a terrorist, as were Gerry Adams and Martin McGuinness. But games move on, and if we are to look to the future of the middle east rather than the past, we must accept the fact that there are people of good will whose past is not admirable to us or even to some of them, but who have an important role to play. If we are talking about engagement, the time has come for the United Kingdom and European Governments to engage with those other organisations that are legitimate and have an interest in the democratic future of Iran.

The British Government fought furiously against de-proscribing the PMOI. They resisted the findings of the European Court of Justice and tried every which way not to de-proscribe it, as indeed did the European Council of Ministers. The Foreign Secretary recently attended a meeting at which I was present on the Upper Committee corridor. When I asked him whether the organisation should be proscribed, he told me that I did not know all the facts. I do not know all the facts. I am not privy to the secret files of MI5, MI6 or, as my hon. Friend the Member for Lancaster and Wyre apparently is, the State Department.

Mr. Wallace: They are on the website.

Mr. Gale: If they were on the website, they would not be secret. With great respect, I suggest that secret files are secret, and not published on the website. Irrespective of whether I have been privy to those documents, the Court was; those MI5 and MI6 documents were made available to the judges.

Mark Williams (Ceredigion) (LD): I was privy to the discussions in the European Court of First Instance when the barristers representing the PMOI SE repeatedly asked for that evidence, but it simply did not exist. We anticipated a long adjudication, but it came the next day, because there was no evidence to justify the continuation of the ban on the PMOI.

Mr. Gale: I am grateful to the hon. Gentleman. There is evidence and evidence, but our Foreign Secretary—who am I to doubt him?—said that the information existed. If it did, it was made available to the High Court, and I attended some of the hearings. Our High Court judges are not blithering idiots, but they came down clearly in favour of de-proscription and said so clearly in their ruling. As a result, to be fair, the Government de-proscribed the PMOI.

The same thing happened in Europe. Notwithstanding the best endeavours of the United Kingdom Government to try to use the French Government to oppose the de-proscription of the PMOI by proxy—the French Government are still opposed to de-proscription— the Council of Ministers found in favour of de-proscription, so it has been de-proscribed. My understanding is that it is therefore no longer considered to be a terrorist organisation. The British Government's secret service may regard it as such; the United States State Department may regard it as such; and for all I know, the Quai d'Orsay may regard it as such, but that does not make it a terrorist organisation today.

The PMOI and its supporters face a desperate situation in Ashraf city, where the Americans have handed control to the Iraqi Government on the understanding that the security of the residents will be maintained, but there are grave doubts. First, I would like an undertaking from the Minister on the record, in so far as he can give one—I appreciate that he may say that it is a matter for the Americans and the Iraqis, rather than us, but we have some influence in Iraq—that the Government will do everything to ensure that the residents of Ashraf city and the Iranians who are mainly supporters of the PMOI are secure.

Secondly, there is the small matter of PMOI funds, which are still frozen in France. The organisation has been de-proscribed, and the French Government are

acting illegally, so will the Minister use such influence as he has in the European Union, particularly with the French, to ensure that those funds are released?

Thirdly, if we are to find a way forward, people must start talking to one another. Curiously, despite everything that I have said, I have no particular brief for the PMOI or the NCRI. I do not believe that they are the solution, but I believe that they have the potential to be part of the solution. I would like the PMOI, Pahlavi's organisation and all those who wish to make a contribution to a genuinely democratic future for Iran to work together to secure what I believe we all want, irrespective of our position on the issue—free, fair, democratic and monitored elections in that country with respect for the outcome, whatever it may be. I would not want to predict at this stage what it might be. The people of Iran have a right to a democratic election, and then to adhere to its result.

Finally, will the Minister indicate whether the Government would look favourably on an application for a visa for Maryam Rajavi to visit the United Kingdom?

10.17 am

Mr. David Drew (Stroud) (Lab/Co-op): Like the hon. Member for North Thanet (Mr. Gale), I did not intend to take part in this debate, and I apologise for having to leave a few minutes early, so I shall have to read what the Minister says.

I want to concentrate on the narrow but important domain of human rights. The greatest condemnation of the mullahs' regime should be reserved for their dreadful human rights record. I remind hon. Members that that state is probably second only to China in the number of people it kills by capital punishment, and there is an argument that it may kill more people than any other state. The hon. Gentleman referred to the way in which it conducts those punishments. Hanging people publicly from various capital equipment is horrific, and last Saturday's *Daily Mirror* shows graphically the 59 people who were hanged in January.

Whatever else one thinks about Iran, it is a great nation. It is not Arabic, but consists of Farsi-speaking people. We should always respect it and want to work with it, but until it improves its human rights record, it is up there with the nations that I feel deeply about—including Sudan, Zimbabwe and so on—because of the way it subjugates its people.

As has been said, do not be a member of the opposition in Iran, because people who are have every chance of being arrested, imprisoned and subsequently hanged. Do not be a Baha'i. I was pleased to see early-day motion 937 on that issue, tabled by the hon. Member for Montgomeryshire (Lembit Öpik). Again, the Baha'i are being singled out for mistreatment, arrest and worse.

I was also pleased to see in today's *Hansard* that the Minister has answered the hon. Member for Romford (Andrew Rosindell) on how many representations he has made to Iran on behalf of Christians. He said that he had made more than 40 representations. Do not be a Christian in Iran. Those are minority religions, but they are important religions. If we were mistreating Muslims in this country, I would expect us to be held to account in the court of world justice. Iran does it, because it appeals to the mob, and that has to stop.

Mark Williams: Does the hon. Gentleman share what I am sure is the concern of the whole Chamber about the position on juvenile executions? The Minister, to his credit, has raised the issue and has had assurances from the Iranian ambassador that, in October 2008, there was a decree outlawing juvenile executions, yet there have been reports since then that that practice still happens in Iran.

Mr. Drew: It does, and again there is no effective defence for people.

The other issue, besides human rights, is the failing Iranian economy. In a sense, the suppression mirrors the economic failings. I know that in these times, when the whole world seems to be in difficulties, we can perhaps exaggerate the difficulties in other parts of the world to make ourselves feel less worried about our own situation, but there is an economic crisis in Iran, and it has resulted in even more pressure from the centre to deal with any form of opposition.

Iran is, of course, an oil economy: as the price of oil has collapsed, it has been able to earn far less revenue. It also has very high inflation, and the public of Iran are therefore hit both ways. We know that there is great unhappiness. Anyone who studies Iran will know that there are regular street demonstrations, until they are put down. There is a lot of insurrection on university campuses, but of course the secret service ensures that that does not last long. Even within the regime itself, there is a split between the hard-liners and the more liberal element, represented by Khatami. It is reputed that he will make another attempt to run for the presidency, but at the moment Ahmadinejad seems to have the support of the great leader Khamenei. That will probably mean that he is likely to win any election.

I shall finish by echoing the remarks of both my hon. Friend the Member for South Thanet (Dr. Ladyman) and particularly the hon. Member for North Thanet. There are concerns among those of us who would be quite proud that we have supported the Iranian opposition that we need to look at what is happening to the PMOI in Ashraf city. I ask the Minister to examine carefully what is happening now that the Iraqi Government have taken responsibility, to ensure that there is no revenge against the people there and particularly to ensure that they are not doing the bidding of the Iranian Government, because that would be a tragedy and a negation of some of the things that they have done.

My hon. Friend the Member for South Thanet reminded us about the nuclear situation. Without the PMOI and the NCRI, we would not necessarily have known about the enrichment going on at Natanz. They did immeasurable good in announcing that to the world. That is where the process started of trying to get Iran to understand that it is not acceptable behaviour. I ask the Minister to consider that issue and to consider the general issue of human rights.

It is right of Parliament to look at parts of the world where the human rights record is abysmal. We should never be frightened to highlight such things. Even though we continue to talk and do business with people and we want to bring them into the great body of democracies, we can never do that until they improve their human rights record, so that it is at least tolerable. At the moment, the one that we are discussing is absolutely unacceptable.

10.25 am

Mr. Edward Davey (Kingston and Surbiton) (LD): I congratulate the hon. Member for Lancaster and Wyre (Mr. Wallace) on securing the debate and on introducing it in such an intelligent and informed manner. I agreed with a great deal of what he said. It was almost like coming to a seminar, and I am particularly grateful to him for that. I plan to go to Tehran, but perhaps I should go to Thanet, where there is clearly a lot of expertise on Iran.

Mr. Gale: And other things.

Mr. Davey: No doubt. I was particularly interested in what the hon. Member for South Thanet (Dr. Ladyman) said about Iran's negative influence on many parts of the middle east, which is a huge worry. I should say that it has not just been a worry with the current regime, as over the centuries, the Iranians have undertaken their foreign policy in that way. Rather than foreign conquest, which many Iranian rulers have never gone for, partly because of the geography that the regime is dealing with, the country's mountainous nature, its supply lines and so on, Iranian leaders have tended almost to conduct their imperial ambitions by proxy. That does not make it right, but it is a typical approach by the Iranians, and one has to understand how they work, both historically and in the current regime, if one is to deal with them.

The only point that has not come out in the debate so far is the urgency of the Iranian question. Much of the evidence suggests that the Iranians could be close to being able to produce a bomb. Recently, we have seen reports saying that they have enough low-enriched uranium to build a dirty bomb. When I speak to people at the Ministry of Foreign Affairs in Israel and to the Foreign Office in this country, my impression is Iran could be a year, or perhaps two or three years, away from having enough highly enriched uranium to make the sorts of weapons that would be particularly threatening and destabilising, leading to the proliferation across the region about which everyone is rightly concerned. Even if they are not going to go to weaponisation by getting the highly enriched uranium and putting it in a missile, they will be near to what is known in the terminology as break-out. They could keep within the rules of the non-proliferation treaty, but within three months, get themselves weaponised and break out in the way other countries have done in the past. The potential for them to get to that threshold creates a dynamic, particularly with Israel but also with other countries, that is very destabilising, so this is not just a theoretical discussion. It is something that we could be dealing with as a country and as a world very soon.

The question is how we approach the issue. There will be two major events in the next six months that relate to that question. The first and most important is the conclusion of the review undertaken by the new President of the United States. We are told that later this month the Americans will decide their new policy and tell us all about it. Clearly, that is critical in how we develop our policy. The other big event is the Iranian elections. I think that they are slightly less important to the development of our policy, partly for the reasons that the hon. Member for Lancaster and Wyre discussed. Even if President Khatami returns and defeats Ahmadinejad in the elections—it looks as if that will be the contest—he maintained the nuclear programme under his presidential leadership before, so the nuclear issue will not go away, even after the election. Understanding what the Americans will do is therefore critical.

What must the Americans be thinking, what questions must they be asking themselves and how should the Foreign Office interact with their review, as I hope that it is doing? There are a number of issues to consider. First, there are the sanctions, then there are the negotiations and the preconditions, and, finally, there is the rhetoric, which can be important. On sanctions, we and the Americans have to ask ourselves whether the current sanctions regime is working, and the answer is clearly that it is not. There are therefore only two options. First, we could strengthen the regime, because we think that it could work politically but we need to plug the gaps in the way that the hon. Member for South Thanet said, getting the Chinese, Russians, Austrians, Cypriots, Italians and all the others who have been mentioned to sort themselves out and creating a regime that brings Tehran to book, so that it will listen to us. That is a possibility, but it is clear from my description that it might not be as easy as some would hope. That option should certainly be considered, because sanctions regimes can work, but they must be rather more far-reaching than the current one.

The alternative view is that sanctions might not work. We might regret that, but we should perhaps look at another way of doing things. Perhaps sanctions are sending the wrong political message and preventing engagement. I genuinely do not know, but that is a matter for debate, and we need to ask the Americans how they will proceed. There is genuine concern that the sanctions regime is ineffective and, arguably, counter-productive. We then come to negotiations. Her Majesty's Government have done an awful lot of work through the E3 plus 3 to get negotiations off the ground, and I pay tribute to them for doing so. On the face of it, Iran has been offered some fantastic deals and economic inducements, but, again, that does not appear to be working, and one has to ask why. Again, I am not sure and I am speculating, which is why I was particularly interested in what the hon. Member for Lancaster and Wyre had to say.

Part of the problem is understanding why Iran wants nuclear power or, indeed, why it wants the prospect of being able to get a nuclear bomb or to get a nuclear bomb itself. Is it because Iran wants to attack the rest of the world—perhaps Israel or somewhere else? Is it because it feels particularly insecure and thinks that it will be attacked? It has seen the American army in Iraq, and NATO in Afghanistan. It has also seen the instability in Afghanistan and Pakistan, and it knows that Israel has a bomb. Perhaps the Iranian leadership is worried that someone might attack it—let us face it, there has been an open debate about whether Israel would attack it, and we thought at one time that President Bush's Administration might do so. Iran may therefore want to arm itself because it fears being attacked.

Another reason, which is presented as more potent for Iran in some of the material that I have read, is that Iran is seeking stature and status; it wants to show that it has arrived in the modern world. It believes that it has a proud Persian past and it thinks, "If everyone else has these things, why can't we?" We have to understand that. Whether we like the regime or not, and even

though we might think that it is appalling, we have to understand where it is coming from and why it wants to pursue its present course, even though we may find it distasteful. If we are to move the regime from its present course, we have to meet that status issue in some other way in our negotiations. We therefore really have to engage in the negotiations. Some Democrats in the US are talking about a diplomatic surge being required to get the negotiations going, and they may well be right.

A key issue for the negotiations, which the hon. Member for Lancaster and Wyre touched on, is the preconditions that we set. The current preconditions—in effect, that Iran must cease enrichment—are clearly not working, because nothing is happening. Despite all the inducements, the cessation of enrichment condition is not working. In some of the academic material and diplomatic debates, we have seen that preconditions can be finessed and tweaked, and that is clearly an option in the review. We have heard about the freeze-for-freeze option, under which we will freeze sanctions if Iran freezes enrichment. Several years ago, the International Crisis Group talked about a phased delay, with the west saying, "Yes, of course you have the right to enrich, but we want to negotiate with you and we want you to delay enrichment." Such an approach would recognise Iran's status, but get rid of the precondition that prevented negotiations.

The Americans' review may look at those preconditions, and they may decide to drop them all, as the hon. Member for Lancaster and Wyre hinted. Candidate Obama certainly talked about that, although he got a lot of flak from the Republicans and slightly switched his position. However, he talked about negotiations with the Iranians with no preconditions, and I imagine that the Americans are reviewing that option.

I have dealt with the sanctions review and the negotiations, and I will finish with the rhetoric. Whatever the review decides, we have to tone down our rhetoric. Iran has rightly been criticised for some of the rhetoric in which it has engaged. That is particularly true of Ahmadinejad, whose rhetoric has been absolutely appalling—particularly the things that he said about Israel. However, I should quote former Vice-President Cheney, who said about Iran:

"We don't negotiate with evil; we defeat it."

The rhetoric is on both sides. The "axis of evil" rhetoric is not helpful, and we have to ensure that we drop that nonsense from our approach.

This is an incredibly complex and nuanced debate. Besides the hon. Member for Lancaster and Wyre, and perhaps the hon. Members for North Thanet (Mr. Gale) and for South Thanet, there are few people in the House who really understand all the levels. However, we tend to reach consensus on the issue in our debates, and I hope that we can take that forward so that Britain has the influence that it should have, particularly with the new American Administration.

10.37 am

Mr. David Lidington (Aylesbury) (Con): I congratulate my hon. Friend the Member for Lancaster and Wyre (Mr. Wallace) on securing the debate. There could hardly be a more important foreign affairs topic and one more deserving of debate in the House.

British policy towards Iran should be based first and foremost on a hard-headed and pragmatic assessment of where the British national interest lies. That interest certainly lies in seeing Iran once again become engaged as part of the mainstream of the international community. Several hon. Members have talked about the impact of economic change on Iran. Anybody who has been to Iran and experienced the planned power cuts every day or looked at the half-mile queues outside filling stations in that oil-producing country will have some awareness of the economic pressures that are biting on ordinary Iranian families.

There is no doubt that, with 60 per cent. of the population under 30, there is a tremendous appetite for economic growth and educational development, and for Iran to become part of the world once again. However, as my hon. Friend and others have said, the political obstacles in the way of that re-engagement are formidable, and the time available—particularly given the crisis over nuclear policy—is very limited.

As I look at Iran, I see a country that takes enormous pride in its history and cultural achievements. There is perhaps a parallel with China, in that Iran also has an abiding sense of resentment at having had its interests trampled over by the dominant powers in the world—the powers of the western world—for much of the 19th and 20th centuries. We do not necessarily have to agree with the Iranians' view of the world to want to understand what it is like to be in their shoes. If one talks to Iranian Ministers and officials in Tehran, one hears that they feel surrounded. They say, "We have a nuclear Russia to the north of us, which occupied the northern part of our country not so many decades ago; we have a United States fleet to our south in the Gulf; we have an American army in Iraq to the west and Afghanistan to the east; we have a nuclear-armed Sunni power in Pakistan; and we have Israel, which is assumed to possess nuclear weapons, which talks about Iran representing an existential threat." One of the starting points in considering policy must be to appreciate how the other side sees the world.

There are huge differences. I want briefly to digress, because the hon. Member for Stroud (Mr. Drew) was right to flag up the continuing importance of human rights in any dialogue between London and Tehran. It is ironic that when one visits Tehran the Iranians talk with great pride about how there are designated seats in the Majlis for representatives of the Christian, Jewish and Zoroastrian minorities. That must be contrasted with the appalling apostasy laws and the ruthless treatment of members of the Baha'i faith, whose leaders are even now imprisoned without trial, possibly awaiting charges for which, if found guilty, they could face a capital penalty. As the hon. Member for Stroud pointed out, not only is the death penalty used, but it is used in the most barbaric fashion, and there is imprisonment without trial or due process. I encourage the Minister to continue to exhort the Iranians to improve their record on human rights.

Mr. Wallace: Does my hon. Friend agree, on the subject of rights, that the Iranian constitution gives many rights, and protects human rights for all, but that the problem is that the present regime especially has tried to step outside the constitution and veto those rights, continually using terrorism and national security as an excuse? Does he agree that one thing that the west

[Mr. Wallace]

should do is urge Iran to stick to its constitution and stop it making exemptions in its laws under the guise of national security?

Mr. Lidington: My hon. Friend makes his point effectively.

Iran has the capacity to play an important and constructive role in the politics of the middle east and south-western Asia. Initially, it was hostile to the Taliban and it co-operated with the coalition forces in 2001 when they first entered Afghanistan. There is no doubt, from talking to Iranian leaders, that they are acutely aware of the damaging impact of the drugs trade and large numbers of Afghan refugees on the stability of their society. There is scope for Iran to become a partner for stability in Afghanistan, but it would need a change of heart from Tehran, which would need to be willing to turn language about wanting co-operation into concrete policy.

It is fair, too, for the west to acknowledge that Iran has legitimate national interests at stake in Iraq and the wider Gulf region. However, if Iran wants the west to take its interests seriously, it needs to understand how destabilising are comments such as those made recently by one of the President's advisers, asserting that Bahrain should be part of Iranian territory. I should like the Minister to say whether the Government have pressed the Iranians to make a clear assertion—because I think it is now needed—that they respect Bahrain's sovereignty and independence. The current President of Iran has used inflammatory language about Israel. I have said to Iranians that they grossly underestimate the fear that such language has provoked in Israel. There is no doubt that there is genuine fear in Israel that Iran poses a threat to the state's very existence, yet speeches are made by Iranian leaders—most recently by Dr. Larijani at the Munich security conference in February—in which they talk about Israel as they talk about other states; they do not talk about the Zionist entity, but about Israel, a country that exists: it is a country that they do not like, and with whose policies they are at odds, but they see it as part of the region, and part of the world. If the Iranians would make it clear that they are willing to accept the existence of Israel, and the reality of the Israeli state, it would help things to move forward.

I must finish with a few words about the nuclear programme. There are some unpalatable facts. The programme is popular in Iran. There is a question as to how far we can trust any opinion survey, but there are surveys that show that up to 80 per cent. or more of the Iranian population support the case that Iran should have a nuclear capability. There is no doubt that the non-proliferation treaty gives Iran the right to civil nuclear power, but that right is subject to the rules and inspection regime of the International Atomic Energy Agency. The verdict set out in the IAEA's most recent report of 19 February is clear: the Iranians are still refusing either to accept the additional protocol, which provides for unannounced inspections of key installations, or to provide full access to and co-operation with inspectors along the lines that the agency has been seeking.

The question is now what should be done. Does the Minister believe that we can still persuade Iran to stop, or at least suspend, its policy of enrichment? It is quite possible for Iran to have a working civil nuclear energy programme without the need to enrich material on Iranian soil. Is it possible to insert into the system an effective and verifiable barrier between the acquisition of a nuclear capability and the development of a nuclear weapon, so that any temptation to move to nuclear break-out could be deterred, and any step towards it, however slight, could be detected, and appropriate action could be taken?

In my party, we welcome President Obama's outreach to Iran, but we believe that that message needs to be complemented by a greater determination on the part of the European Union to provide effective sanctions, to make it clear to Tehran that the alternative to engagement in response to the American initiative is major damage to the interests of Iran and its people. In particular, we want European sanctions against new oil and gas investment and a ban on new export credits. We have a chance available to us, but time is short, and I hope that the Minister will explain how the British Government plan to take policy forward in the next few months.

10.48 am

The Minister of State, Foreign and Commonwealth Office (Bill Rammell): I congratulate the hon. Member for Lancaster and Wyre (Mr. Wallace) on securing today's debate, which has been constructive and well informed—across the Chamber. As hon. Members are aware, 2009 is shaping up to be a very significant year for Iran's relationship with the international community. The United States, rightly in my view, is offering to extend its hand, and Iran, bluntly, will have to decide how to respond. President Obama said on 27 January that

"it is important for us to be willing to talk to Iran, to express very clearly where our differences are, but where there are potential avenues for progress."

So far, the fist has remained clenched, but there is still time for Iran to change its approach. Iran could, and should, choose to transform its relationship with the international community. Such a decision would benefit Iran and its people and the whole international community. However, to take advantage of the opportunities that would flow from such a change, Iran must face up to its responsibilities, many of which it currently chooses to ignore.

We touched on the nuclear issue. Iran ignores its obligations to the UN and the International Atomic Energy Agency. It chooses to defy the will of both by continuing to enrich uranium, and refusing the IAEA the access that it seeks. Iran disregards its responsibilities; it supports terrorism and chooses to undermine stability and security in its own neighbourhood. Inside its borders, Iran pays no heed to the commitment that it has freely undertaken to its people to uphold international standards of human rights.

The point is that Iran has choices to make and the opportunity to change course. On the nuclear file, Iran can suspend enrichment, take up the E3 plus 3 offer and enjoy the many benefits that will come from co-operating with the international community, rather than standing toe to toe with us and seeking further confrontation and isolation. Iran could pursue its legitimate interests in the region through legitimate means, and play a constructive rather than destructive role. On human rights, Iran could take steps to recover the prestige it claims for itself by guaranteeing the rights of its people.

Our position is clear; we would like to have the opportunity of engaging in a positive and constructive relationship with Iran. We share interests across a wide range of issues, including promoting stability, security and economic development in Iraq and Afghanistan. If Iran took the opportunity and changed course, we could work together constructively. However, Iran's behaviour undermines our confidence, and makes a mockery of the claims that it makes for itself. Until Iran changes course, we will be uncompromising in calling on it to meet its obligations.

I now address some of the points made this morning. I start by answering the hon. Member for Lancaster and Wyre, who initiated the debate. Let me be clear; we are not advocating or talking about regime change in Iran. We have made that clear both publicly and privately. This country has no hostility to Iran. As a number of Members said, it is a country with a long and distinguished history and a great culture.

We are open to contact with Iran. The Foreign Secretary has told Foreign Minister Mottaki that the United Kingdom sincerely wishes for a more positive relationship; but that requires Iran to change its behaviour, in particular to take up our offer on the nuclear file. If it does not do so, we will be forced to continue on the current path.

The hon. Gentleman also spoke about the suspension of enrichment by Iran in 2004. We need to look forward, rather than back to missed opportunities. Both sides have to be committed to the process. The international community is certainly willing to engage, but Iran has to meet its international obligations. The scope of the 2004 suspension was ambiguous, and Iran continued to enrich at a low level. That is one reason for the lack of trust and confidence.

I took some exception to the hon. Gentleman's comments on the failure to tackle the drugs problem in Afghanistan. Progress is being made, but it is a colossal challenge. One problem in trying to thwart the drugs trade there is that although Iran supports Afghanistan through capacity building, it also gives the Taliban financial support, weapons and training. Support for the Taliban works fundamentally against the stability that we need in Afghanistan in order to undermine the drugs trade. The House should be unanimous in calling for Iran to stop such activities.

The hon. Gentleman underplayed the threat of Iran developing a nuclear capability. For almost two decades, Iran has concealed its nuclear programme. Five successive UN Security Council resolutions have urged Iran to engage, but it flatly refuses to do so. The latest IAEA report from Dr. El Baradei, published on 19 February, clearly demonstrates that there is a continuing unwillingness to engage, or to provide the information about the alleged studies with a military dimension that has been called for by the international community.

Some people pooh-pooh or dismiss concerns about Iran's nuclear capability, but if it gains a nuclear capability it will inevitably invite a response from other countries in the region. That will lead to an arms race in the middle east, which is one of the surest ways of stepping towards Armageddon.

Mr. Wallace: I do not underestimate the dangers of Iran having a nuclear weapons system. However, it would be right to observe that the international community could not prevent North Korea, Pakistan or India from developing one. Moreover, although Pakistan and India did so, the west continued to engage with them. Iranians would ask what they had to lose. We must be clear about what they could lose.

Bill Rammell: I agree. The thrust of our policy is about getting Iran to confront the choice that it faces and the direction in which it should go.

I welcome what the hon. Gentleman said in support of the state of Israel. However, to deny the responsibility of the supreme leader for what President Ahmadinejad said when he spoke of Israel being wiped off the map of the world and being wiped from the pages of time—I believe that such sentiments are abhorrent, and I hope that all hon. Members share that view.

The hon. Gentleman also mentioned the importance of there being no preconditions for talks. For a country that has a track record of being enormously well-versed in playing for time and stringing out the process so that the fundamental problem is not tackled, talks without preconditions are a real concern. I support the view of President Obama that we cannot just engage in talks for talks' sake.

My hon. Friend the Member for South Thanet (Dr. Ladyman) made a helpful and well-informed contribution. He rightly focused on the influence that Iran wields in the region. Iran arms, trains and funds Hezbollah, Hamas and other Palestinian rejectionist groups. That is wrong, it is destabilising, and it is dangerous. It is of enormous concern not only to us, the United States and the rest of the international community but to every Arab leader to whom I have spoken. It is a fundamental reality that we cannot deliver peace in the middle east without Iran changing its behaviour. We need to work with other Arab states on the matter.

I respect the hon. Member for North Thanet (Mr. Gale), but on the question of the People's Mujahedeen Organisation of Iran delisting, he engaged in a rewriting of history. I know, because I was at the centre of things, that the Government went out of their way to ensure that the decisions of our courts and of the European Union Court of First Instance on delisting were respected; it was others in the EU that we needed to win over—something that we did subsequently.

The hon. Gentleman asked some specific questions about Camp Ashraf. He will know that the US handed responsibility for it to Iraq on 1 January. The high commission for refugees and the International Committee for the Red Cross are involved, and the US received assurances from the Iraqi Government about the continued well-being of residents. We will obviously monitor the situation.

The hon. Gentleman asked a specific question about a visa case. That is a matter for the Border and Immigration Agency, but if he writes to me or to the Minister for Borders and Immigration, my hon. Friend the Member for Oldham, East and Saddleworth (Mr. Woolas), we can provide a response.

My hon. Friend the Member for Stroud (Mr. Drew) made an important contribution on human rights in Iran. We must remember that Iran is one of a handful of countries that still execute juveniles; more than 140 are on death row. Iran has a draft law before the Majlis that would bring in a mandatory death sentence for the

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crime of apostasy. With such alleged crimes being treated in that way, Iran has no right to be respected for its human rights record.

This has been an important debate. We want to work with Iran and we want a peaceful relationship with the country, but the problems that exist must be resolved, particularly the nuclear issue. Without a resolution, the region, the entire middle east and the wider world will have major problems. That is why we believe that Iran faces a choice. I and the Government urge Iran to engage with the international community and to take the benefits that are available through the substantive offers that are on the table. It should seek those benefits, but to do so Iran has to respond to the genuine concerns that exist.

British Curry Industry

11 am

Joan Walley (in the Chair): For the benefit of hon. Members taking part in this debate, I would like to let them know that I am using the annunciator clock; we are not in a different time zone from the other clocks on the wall.

Anne Main (St. Albans) (Con): I am pleased to have secured this debate, because the curry industry is frustrated and threatened by severe staff shortages and has been trying to get some clarity from the Government about possible solutions. Curry houses can be found all over the UK; there are more than 12,000, employing some 80,000 workers and contributing an estimated £3.5 billion to the British economy annually. Yet the curry industry is in crisis: unfortunately, it has been a casualty of the Government's failure to get a proper grip on the immigration system. In response to mounting public unease over what some describe as unfettered immigration from A8 economic migrants, the Government have sought to introduce a points-based system, which has disproportionately affected certain sectors, including the curry industry.

In an article for *The Independent*, Jerome Taylor wrote:

> "I think part of the problem is the government's patronising attitude towards the curry industry, which is one of the greatest immigration success stories of the past 40 years, not only in changing the British palate forever but also contributing considerably to the Treasury coffers... A vibrant industry such as the ethnic restaurant trade shouldn't be penalised because the successful and ambitious children of restaurateurs have higher aspirations than doing what their parents did or because this government has caved into the anti-immigration hysteria and cut off the supply of chefs".

That is a very strong sentiment, but I have some sympathy with elements of it.

Ministers have expressed sympathy for the plight of the curry industry and have apparently asked the Migration Advisory Committee to look into the matter. However, it is telling that, currently, no representative of the Bangladeshi curry industry is either on the Migration Advisory Committee or in the Migration Impact Forum. Even worse, the Government appear to have announced only last month that Ministers plan to compel restaurants and takeaways to recruit skilled cooks from people already resident in the UK or elsewhere in the EU. That announcement pre-empts a report from the Migration Advisory Committee on whether more job sectors should be removed from the special shortage occupation list, which allows firms in specified sectors to bring in staff from overseas. Sadly, that pre-emptive strike seems linked to highly publicised wildcat strikes over foreign workers allegedly taking British jobs.

All this is leaving the industry in an impossible position. It wants to work with the Government. Unfortunately, the numbers coming in to work in the curry industry are relatively small, yet the effects of the new immigration system will be disproportionately high. It is estimated that staff shortages will cost restaurants an average of £19,000 every year. In today's economic climate, the economic impact of a downturn in or failure of many of the curry industry's major restaurants in the UK would be catastrophic, particularly on many high streets.

The points-based system works against the curry industry. It is impossible to show formal recognisable catering academic qualifications obtained in Bangladesh. As has been observed, in Bangladesh, one is either totally poor, or rather wealthy, and the latter do not go in to catering. However, that does not mean that many restaurants are not bringing in skilled chefs—they just cannot necessarily prove it. Under the new points-based immigration system for workers outside the EU, which came into force at the end of February, chefs need to speak English and have academic qualifications to live and work in the UK.

I am sure that such qualifications are desirable for many people who wish to come and work in our country, but sadly, in a country as poor as Bangladesh, such qualifications are extremely hard to achieve. The Bangladesh Caterers Association says that such policies have left its members in an invidious position. They cannot recruit trained Bangladeshi cooks but are critically short of staff, which is threatening the future of the industry in the UK.

Owners of restaurants who came to the UK and set them up—although often called "Indian", a great number are Bengali from East Bengal, which is now Bangladesh, and predominantly from Sylhet, which is twinned with St. Albans, in the north-east of the country—find that their children do not want to work in their parents' business. Many of them are setting their sights on becoming professional accountants, doctors, engineers and lawyers, and they are succeeding. Having met Bangladeshi families in my constituency, I know that that pattern is repeated again and again. It is part of an immigration success story and a tribute to the hard work ethic that typifies the Bangladeshi community. All young people, whatever their race, are being encouraged to skill up and get a toolkit of qualifications that will help to ensure career progression and job opportunities. Yet the curry industry cannot currently offer that educational opportunity. I shall explore that point a bit more later.

No business can function without a pool of skilled staff from which to recruit. Yet the Government have inadvertently—I hope—made the situation worse, because without working with the industry to put in place a safety net, immigration policy was altered overnight, causing, as we have heard, raids on restaurants and people falling foul of regulations. There is not a lack of dialogue on this matter, but there is a lack of action and short and long-term solutions.

Damian Green (Ashford) (Con): My hon. Friend rightly mentions training. I am particularly concerned about high unemployment in the Bangladeshi community in this country. Does she agree that proper and better training, in this country, for British people of Bangladeshi origin would be a double-whammy winner, because it would help the curry industry, as well as one of the groups in our society most prone to unemployment?

Anne Main: My hon. Friend is absolutely right, and the curry industry recognises the mismatch. Some young Bangladeshi people would probably consider entering the curry industry, which is enormously successful and offers many opportunities, but no career training and progress path is in place. Unemployed people want to make career choices, so it is peculiar that they cannot obtain a skills set that will ensure that they can not only find employment in the curry industry, as a waiter, kitchen porter or whatever, but make a career for themselves. It would also allow them to obtain qualifications that they and the industry value.

In February 2008, the then Parliamentary Secretary, Office of the Leader of the House of Commons, the hon. Member for Bishop Auckland (Helen Goodman), suggested that there was no case for applying different immigration rules for this group of workers. Despite the ongoing dialogue, the door has been shut for a long time. She said:

> "It is, of course, important that Indian restaurants in this country retain their high standards. However, I do not think that anyone can seriously suggest that different immigration regulations should apply to the sector. As the hon. Gentleman knows, there was a debate yesterday on this matter following the Home Secretary's statement".—[*Official Report*, 21 February 2008; Vol. 472, c. 532.]

It was made quite clear, therefore, that the Government never had any real intention of altering the immigration system to favour a particular group of workers, yet they have done nothing to help the industry to put in place an alternative solution.

Successive Immigration Ministers have met with representatives of Bengali caterers, including the Bangladesh Caterers Association, the Guild of Bangladeshi Restaurateurs and the Greater Sylhet Development and Welfare Council, all of which are actively engaged with the Minister. I wish to pay tribute to Enam Ali, who produces *Spice Business* magazine, is a restaurant owner, extremely influential in the industry and organises the British curry awards; to Mr. Rashid, president of the Bangladesh Caterers Association, which is the voice of the industry, and who has also met the Minister; and to Mr. Faruk Shahagir from the Bangladesh-British Chamber of Commerce. All of those men have met regularly and are frustrated that their industry, which has so much to offer, cannot get the ear of the Government, to sort out the problem. That really is a worry.

I pay tribute to those who have worked to raise the profile of the British curry industry and to champion its cause—some of them are here today to hear—but I share their frustration that they cannot move this forward. As my hon. Friend said, Ministers have suggested that unemployed Bengalis in Britain should fill the vacancies. In a Government-directed command economy, that might be feasible, but simply to say that unemployed Bengalis ought to work in the curry industry is derisory.

Unemployed Bengalis are no different from any other unemployed people in the UK. If merely fitting unemployed people to vacancies was the answer to the problem, we would not have to import large numbers of foreigners to pick fruit, de-bone carcases and do other unpleasant jobs that we are told that the indigenous population cannot or will not do.

Eastern Europeans may be able to serve as waiters, but they may not have the cultural sensitivity or the language that is necessary to work in a curry house kitchen. Mr. Rashid, who is president of the Bangladesh Caterers Association, says that eastern European workers are not the solution. He observes that they do not last terribly long and that they are not really keen on working in the industry.

We must ask how such a crisis has come about and what can be done to help. The catering industry as a whole is not a favoured career choice for young school

[Anne Main]

leavers. Despite its vast size and economic clout, the curry industry does not have a desirable career path to offer potential young would-be chefs.

Jim Armstrong, chief executive of the Professional Association for Catering Education, says that the hospitality and catering departments find it hard to fill their cooking courses in general and to recruit students of Asian origin. He says that the latter group is more likely to be found doing courses in information technology or business. The reluctance of second-generation Bangladeshis to follow their parents into the family restaurant is readily admitted by both the business and the catering trades.

Any young person who wants to study catering at college with an eye to working in a Bangladeshi or Indian restaurant would have little option but to do a national vocational qualification in general cooking. Mr. Armstrong, who used to run hospitality and food management at Thomas Danby college in Leeds says:

"The awarding bodies and the curriculum authority do not see any difference between cultures. If you are peeling a potato you're peeling a potato. The fact that it's for a different culture's cuisine is by the by. The curriculum doesn't necessarily meet the market's needs."

That is at the heart of the problem. Some colleges have tweaked the NVQ with a module slanted towards international cuisine, but an NVQ can only be adapted so far, according to Gordon Sibbald, Thomas Danby's assistant director of vocational skills. Therefore, the catering industry recognises that training must be both tailored and specific. Current training programmes are just not doing the job.

In 2008, the Prime Minister said:

"We will make it possible for people who are in this country to be trained to be either chefs or restaurant workers in the industry... We are doing far more to train than ever before. We know there are people who, if trained, could make a contribution to the industry."

That is patently not the case. Skills are not being delivered and there is not the degree of specialism that is needed for a highly skilled chef. The industry recognises that and has been pressing the Government on the matter. It does not want to keep importing talent. It recognises that doing so is unsustainable, but restaurants do not want someone with an NVQ in general catering skills; there is a mismatch. The industry wants to set up a London catering college for curry. It is prepared to offer training courses and work placements. It recognises that such courses have to be of a high standard, because they would then be attractive to young people who wish to gain qualifications.

Having listened for so long to such problems, the Minister must make a commitment today. We have unemployed people in this country who could fill a skills gap if there was somewhere for them to train to get the necessary skills. We also need a temporary solution, because such colleges cannot be set up overnight. I am asking the Minister to revisit the points-based allocation system to ensure that people can bring in staff and to work with restaurants and the industry to come up with a short-term solution. We have an industry in crisis and a skills set that has not been found for young people. At the moment, the Government and the Prime Minister are saying that they will make it possible for more people to be trained. I suggest that that is not the case.

I hope that the Minister will say today that he will work with the curry industry. He must not cause it more problems, by cracking down and raiding restaurants, but offer advice and concrete assistance to help the industry set up the training college. Moreover, he must help it to work out a temporary solution, so that it can bring in chefs to fill the gap. I am not talking about bringing them in permanently and getting round the immigration system. If he does not provide such help and make a commitment to act now, this industry will see many of its restaurants close over the next year or two.

11.14 am

The Parliamentary Under-Secretary of State for Innovation, Universities and Skills (Mr. Siôn Simon): It is a great pleasure to serve under your chairmanship, Mrs. Walley. I congratulate the hon. Member for St. Albans (Anne Main) on securing this important debate. I hope that I can shed some more positive light on the rather gloomy picture that she has painted. The story is a rather more positive one, and I hope that she will bear with me so that I can explain why.

This year is the 200th anniversary of the opening of the first-ever Indian restaurant in London. In the intervening years, south Asian cooking has come to occupy a progressively bigger role in British culture and life. I myself have the privilege to represent a constituency in the city of Birmingham, in which I grew up. Birmingham is widely acknowledged as the curry capital of Christendom and the birthplace of balti. I have been well acquainted with such matters from an early age. Although the hon. Lady's constituency may be better known for its Roman ruins than its rogan josh, I know that she is an advocate of such matters.

Anne Main: I have about 30 curry restaurants in St. Albans. Indeed, one was the runner-up in the Tiffin curry cup, so I ask the Minister to mind his words.

Mr. Simon: I was just going on to say that I know that she represents many Indian restaurants, including the famous Chez Mumtaj. I do not minimise the significance of this debate. Such matters are important both culturally and economically, and I do not underestimate our need or ability to assimilate in a multicultural society and turn such components into part of our national identity. Moreover, the industry is a growing economic and industrial phenomenon. As the hon. Lady said, the curry industry is worth £3.5 billion a year to our economy and offers jobs to some 80,000 people—although I put it closer to 100,000 people. Those are all good reasons why the health of the curry industry should, and does, matter to the Government. We take the issues seriously, and I will try to address some of the points that the hon. Lady has rightly raised. I can assure her that such a commitment has also been taken on by the Border and Immigration Agency.

The hon. Lady talked at some length about the points-based immigration system. I understand that the introduction of the system last year caused a lot of concern in the industry. I do not propose to mount a detailed justification or explanation of the changes to the immigration rules this morning, as that is properly an issue for my right hon. Friend the Home Secretary. None the less, I remind the hon. Lady that these are

sensitive matters. Even the hon. Member for Ashford (Damian Green), in his capacity as the Conservative spokesman for home affairs, recently called for

"an explicit annual limit on the number of people coming here."

One cannot have this argument both ways. It is true that British business must have access to the skills it needs to trade profitably and to build for the future, and that some of those skills will come from abroad. However, in my view, the Government's view and, indeed, the view of the hon. Member for St. Albans, as expressed this morning, too many skills and talents of our own people who are already here lie undeveloped.

There are 500,000 vacancies in the UK economy. It is our responsibility to do everything that we can to give British people, which includes Bangladeshi British people and every other kind of British people, the chance to fill them. I am not alone in that belief. Last November, the hon. Lady herself tabled early-day motion 268, in which she said that the curry industry

"needs assistance to ensure that young people and skilled chefs are encouraged to enter the industry."

As she said this morning, that means young British Bangladeshi people and skilled chefs of any kind, as well as those from abroad. I can assure her and the hon. Member for Ashford that that assistance is precisely what my Department and I are committed to try to give the industry. I am talking not only about sending people to go to college or university, but about helping them to gain practical skills in the workplace. We are already putting in £1 billion a year in employers' hands to support skills development through the Train to Gain programme.

Anne Main: The Minister said that it is not necessarily just about going to college or university. Does that mean that he is not actively considering supporting the setting up of a London curry college?

Mr. Simon: No, I do not mean that at all. I simply meant that, as well as all the work that we are doing to send people to college and universities to train, including people in the catering industry, we are putting £1 billion a year into training in the workplace through Train to Gain.

Anne Main: The college is the crux of the matter. Does the Minister accept the evaluation of the existing courses that they are not suited as they stand, and that they cannot be tweaked to deliver what the curry industry needs? People are being trained, but they do not deliver the skills that the industry needs.

Mr. Simon: I understand the hon. Lady's point, but I do not accept it entirely. I shall come on to discuss the matter in more detail if she will bear with me.

The extra money that we put into Train to Gain and the extra flexibilities that we introduced which were announced just before Christmas—the £350 million—were all focused on providing practical, flexible training support to small and medium-sized businesses. Level 2 and 3 qualifications will help companies with between five and 250 employees and, obviously, most of the businesses that we are talking about today fall into that category. In principle, they stand to benefit from the changes. The restaurant industry—not just the Bangladeshi restaurant industry but the industry as a whole—remains male-dominated. The hon. Lady will be aware, as I am, that many women in the British Bangladeshi community would welcome the opportunity to take up a job, and that many are very skilled cooks. Sometimes, they are held back by a lack of basic language skills. I hope that she will join me in welcoming the fact that women of Bangladeshi origin are one group that has benefited from the recently introduced reform of provision of English training for speakers of other languages. I hope that she will join me, too, in calling on the Bangladeshi restaurant industry not to overlook the potential of those women as a source of recruits, nor the help with training from the Government that would be available to them.

Anne Main: I am a little disappointed with that. The fact someone is a good cook does not make them a top chef. Very few London restaurants would employ my mother, who is a very good cook. I do not think that that is the way forward. I encourage Bangladeshi women to train, but—and I keep going back to this—where are they going to train? They cannot just turn up at a restaurant to get a job and say, "I make a wonderful taka dhal." It does not work like that.

Mr. Simon: The hon. Lady's position is noted. My position is that it would be nice to see more women, including Bangladeshi women, in employment in the restaurant industry. The fact that she is not convinced about that is on the record.

What I said so far does not imply that there are not specific problems facing the restaurant industry and ethnic restaurants in particular. That is why, for example, the Department for Innovation, Universities and Skills, and People First—the sector skills council for the leisure and hospitality industry—signed a compact last June which, among other things, is specifically directed to help supply ethnic restaurants with highly trained chefs. Through the compact with the industry, we will support the preparation and training of more than 1,000 new chefs for ethnic restaurants. Specifically, we will help employers by funding the development and training of members of ethnic communities to get to level 3—the equivalent of A-level standard—in courses run through a virtual strand of the new national skills academy for hospitality. We will also support the expansion of the number of apprentices in ethnic catering, building on the group training association approach now under way in London.

How do we balance the need to ensure that south Asian and other ethnic restaurants can develop the skills of staff already resident here against the importance of not allowing, say, Bangladeshi cuisine in this country to be cut off from the culture in which it originated? As the hon. Lady is aware, chefs and cooks were included on the list of skilled occupations that the Government published last November, as undertaking an occupation in which we consider there to be shortages in the labour market that could sensibly be filled by people from outside the European economic area. We took that decision based on advice from the Migration Advisory Committee, which is reviewing the evidence on skilled chefs.

Before that review concludes, the Government and key industry partners will attend a summit called by People First—the sector skills council for the industry, run by the industry—to discuss how to manage the

[Mr. Simon]

transition from imported to indigenous skills. Our aim is to develop a partnership plan to ensure that we have the required skills and qualifications to meet the industry's needs. The Guild of Bangladeshi Restaurateurs will be invited to the ethnic chef summit. Specific ethnic chef training is available. Employers can work with Train to Gain brokers to develop accredited qualifications, and the summit will look at developing further the work that is already being done. I accept that it will always be beneficial for ethnic cuisine in this country to refresh itself through the skills of people from the countries where it has its roots. Likewise, there will always be benefits in home-grown ethnic chefs gaining opportunities to hone their skills abroad. The state of the curry industry matters deeply to the Government and to the vast majority of people. I can assure the hon. Lady and the House that, in our efforts to safeguard British businesses and jobs—

Anne Main: Is the Minister going to support the curry industry's desire to set up a specialised catering college in London?

Mr. Simon: I am happy to use my offices to ensure that the question of a London catering college is on the agenda of the Government-sponsored, but industry-led, ethnic chef summit, which is planned later this year.

On that note, may I conclude by restating how important the issue is, and that the Government are committed to getting it right? We are committed to supporting and developing the ethnic restaurant industry in this country, and I again congratulate the hon. Lady on bringing the matter to our attention.

11.28 am

Sitting suspended.

Pensioners

2.40 pm

Mr. Martyn Jones (in the Chair): We have started 10 minutes late because of a Division, so 10 minutes will be added to the debate, which will finish at 4.10 pm.

Bob Spink (Castle Point) (Ind): I thank Mr. Speaker for allowing us to press the case for pensioners today, and I am delighted that you are in the Chair, Mr. Jones. I hope that we have a constructive debate. I am grateful to the excellent Members who have turned out today to bat for their constituents, and I thank them for that.

Pensioners should not and do not need to hold out a begging bowl. They do not owe us a scrap; indeed, we are indebted to them. They have given everything for a safer and more stable world and country. They fought for our freedoms and democracy, as well as working hard to build the economy of the City of London, and financial institutions and industry. They have given their blood, sweat and tears for us, and have created the wealth of this country, and I believe that they deserve a greater share of that wealth. Their share of gross domestic product has fallen year on year in the past decade. That is a shame, and it is not something that the Government should be presiding over. Their share has been falling while bankers, stockbrokers, footballers and the Jonathan Rosses of this world have selfishly been taking an obscene and far too great a share of the wealth of this country. That injustice needs to be put right. Pensioners deserve more respect from all sections of society and deserve a better deal, and that is what this debate is all about.

To move forward, we must understand a little of the history of this issue. I have said openly for many years, and several times in this Chamber, that pensioners have been let down by Governments of both flavours over several decades. Both parties have done good things, but both have also made major errors. There have been two glaring errors. First, the Conservatives cut the link with earnings, causing Britain to have one of the lowest state pensions in the developed world. Then, Labour did to personal and private pensions what the Tories had done to the state pension with changes to corporation tax in 1997, which were known in the vernacular as the great £5 billion pensions robbery.

Of course, the problem has not resulted only from Government actions. In the baby-boomer heyday of the '50s and '60s, which you would not know about, Mr. Jones, but I certainly do, masses of workers came on stream, there was a stable pensioner population and the economy went up and up. Things were looking very good, but then the demographic disaster began to emerge, and there were massive increases in both private and public sector debt. As economist Ros Altmann has said, we were

"effectively 'borrowing' growth from the future."

If I may, I shall borrow liberally from Ros Altmann's wise analysis, which has been reported by the Economic and Social Research Council in its "Winter 2009" pamphlet, although I imagine that it meant spring 2009. She points out that even the demographics are now against us. We are blessed with wonderful, far greater longevity, but that presents us with tough social and economic issues. There are not enough people in employment to

support the rapidly growing number of pensioners, and we must pay back the debt that has built up in the past two decades, which amounts to tens of thousands of pounds for every man, woman and child in the UK. Pensions guru Dr. Altmann put it very succinctly when she said:

"This will lead inexorably to a 'pensioners' crisis, unless we make radical changes to pensions—and retirement."

Let me put the obvious problems aside for a moment to thank the Government for what they have done and what they are doing. The cold weather payments have been very welcome, and the £60 that the Government recently gave was very well received. Also welcome is the intention to re-index pensions to earnings, so that we can start to rebuild a decent state pension. We need to do that in the longer run. Those moves, and much more, are not to be underestimated. I am sure that the Minister will tell us more about what the Government have been doing.

Mr. John Leech (Manchester, Withington) (LD): I congratulate the hon. Gentleman on securing the debate, and apologise that I cannot stay for the whole of it because I have to attend a Select Committee meeting this afternoon. As a co-sponsor of my early-day motion 301, on free TV licences for pensioners, does he agree that the Government could quickly and easily introduce free licences for all pensioners, not just those over 75? That would have a significant impact on pensioners' money.

Bob Spink: I did co-sponsor that early-day motion. I was going to suggest eight measures to the Minister, but now I shall add that point and suggest nine. For the elderly, TV often is not just an optional add-on that improves their quality of life, but the only way for them to keep in touch with the real world. Giving pensioners free TV licences would be a relatively inexpensive measure and would generate an enormous amount of good will. I thank the hon. Gentleman for his intervention.

Now that I have mentioned the Minister, let me say how lucky we are to have such an excellent Minister here. She is energetic and formidable, and she brings a certain elegance and charm with her. Last night, she told me—in the Lobby, not in the bar—that she is excited about having the opportunity to push forward this debate and to set out Government thinking on policy for pensioners, and that is what we are here to do today. I know that she is unable to say much about what will come in the Budget, because of the Budget purdah weeks, but I am sure that she will take some ideas from the debate and talk to the Chancellor and the Prime Minister about them.

The Minister will find the Prime Minister's door open on this subject. Two indomitable pensioner representatives of Age Concern—Dorothy Axford and Kath Daly, from my constituency—helped to focus the Prime Minister's mind a few weeks ago when they met him face to face. As he remarked, neither of them seems old enough to be in Age Concern—he was quite charming. I was so proud of them because they did UK pensioners a great service by telling the Prime Minister what pensioners really need and are really thinking. They found him anxious to listen, receptive to what they were saying and keen to help. However, we all understand that the speed at which we can change policy and move forward is limited by resources.

My constituents explained that pensioners are suffering terribly under the economic crisis. It is not only bankers who are suffering. The elderly, particularly those on small, fixed incomes, are facing real difficulties. Inflation for them is far worse than it is for we hon. Members, who earn above-average incomes. Their households face completely different inflation figures from ours and massive, unfair council taxes such as those in Castle Point, which are, astoundingly, being increased by 5 per cent. this year by Castle Point borough council. Given the Government target of 2.5 per cent., and the average for the rest of the nation, that is indefensible.

Pensioners have to choose between trying to keep warm, buying food and paying for TV licences, and those decisions are becoming tougher in the current economic crisis. Dorothy and Kath thanked the Prime Minister for the excellent Warm Front initiative, and told him that it was excellent. One of them had benefited from it, but they both pointed out that it could deliver far more in value for public money if the contractor list were more flexible and local contractors could be used. Contractors could then be more competitive and could carry out a boiler change for £1,300 or £1,500, instead of £2,500. That would reduce the number of top-ups that are now being claimed, which has increased tremendously over the past three years. It would also reduce the size of the top-ups that poor people have to pay. Dorothy and Kath put that point to the Prime Minister, and he said that he would look at it. I know that that is a matter for the Department for Environment, Food and Rural Affairs, not the Minister, but I am sure that she will ensure that her DEFRA colleagues know about it.

The excellent and much-loved charities Help the Aged and Age Concern joined our delegation to the Prime Minister. They are doing magnificent work and are now combining their resources to form a single charity, or organisation, that will be totally focused and even more effective in putting the case for pensioners. I am sure that all hon. Members will wish sincerely to thank the charity's staff, volunteers and members for all that they do. They are all stars, and they are all working to improve the quality of life of pensioners.

Age Concern in my constituency has many members—hundreds, actually. They get together for lunch on Tuesdays and Thursdays and have trips out and about. I went to a Thursday lunch just before Christmas and got heavily slagged off because the Tuesday people wanted me to go to one of their lunches, so I am going to one of those at Easter. By the way, they take no prisoners, and when I visit them they bend my ear. I know that they will be pushing for a bus service from Canvey town to Morrisons supermarket, and that they also want to keep wardens in our local residential homes as the borough council are threatening to withdraw the service. In addition, they want the council to keep the streets cleaner and safer, so that they can enjoy their environment, and they desperately want councillors to consult them properly and stop the overdevelopment that is destroying their quality of life and community. They are right on all those issues and I am fighting shoulder to shoulder with them on that. However, today is not about local issues. Thank you, Mr. Jones, for allowing me to mention my patch, but I will now move on to the economic crisis, which has hit pensioners harder than other groups.

[Bob Spink]

With profits investments have collapsed and savings income has literally been decimated. Pensioners with, for example, £15,000 of savings, which provides just a few extra pounds to help them pay their bills, have seen their weekly income fall by £12 a week as a result of an interest rate cut from 5 to 1 per cent. That £12 a week does not mean much to us, I suppose, in this Chamber, but it means a lot to my constituents and pensioners. It will help them not to have to choose between food and heating, and it will allow them to have a little treat, such as a takeaway or a glass of beer. Why should they not be able to do that? Pensioners with savings of £15,000 are not rich.

Pensioners' lack of spending ability is hitting the general economy because, compared with other groups, the UK's 12 million pensioners generally have low debts and tend to spend more of their net disposable income. As Dr. Altmann states:

"Cutting rates is like a tax increase that will reduce their spending."

That damages the rest of the economy. If we want to get money out into the economy and for people to start spending again, putting it through pensioners is probably the most reliable way of doing it.

Mr. Andrew Pelling (Croydon, Central) (Ind): I am sorry to distract the hon. Gentleman slightly from his macro approach and from talking about the economy, but in dealing with this shortfall, I understand that he is active in his constituency in trying to encourage pensioners to have full access to their benefits. What approach does he take to that, and does he not think that a better take-up of benefits would solve some of these issues and be more of a stimulant to the economy, as he was trying to suggest in his comments?

Bob Spink: I am grateful to the hon. Gentleman for that intervention. I assure you, Mr. Jones, that it was not planted and that I was not expecting it. I will come on to benefit take-up in one of my eight suggestions. The hon. Gentleman is right: about one in three pensioners lose an average of £1,477 a year because they do not take up, for example, pension credit. We have debated that matter in this Chamber, and I have run a local campaign on it using my local newspaper the *Yellow Advertiser*. I have taken a full-page advert that explains to pensioners that the pension credit is theirs by right and that they should claim it. I have explained to them how they can claim it and that they can come to my surgery and let me claim it for them if they feel challenged by picking up the phone. Of course, the means test is one of the reasons why people are not encouraged to claim pension credit and find it difficult to do so. Many pensioners fail to do so. The hon. Gentleman makes an extremely good point, and I thank him.

Mr. Paul Truswell (Pudsey) (Lab): I, too, congratulate the hon. Gentleman on securing the debate. I also apologise for the fact that, because of the short notice of it that we had, I will be unable to stay for the entire debate. Does he share the concern of one of my constituents who recently wrote to me to say that, when he reached the tender age of 65, he was not told where and when to pick up his pension; he was not informed about what benefits he might be entitled to; and he was not even given any information about age-related tax allowances? Is it any wonder that so many pensioners do not claim what they are entitled to and, in some cases, end up paying more tax than they should?

Bob Spink: That is an extremely good point, and I am grateful to the hon. Gentleman for making it. The Minister will, I am sure, address benefit take-up. When someone reaches a certain age, they should automatically receive not only the pension that they have paid into all their life, but clear and easy-to-read information about what benefits are available, so that they can take advantage of them. I am astounded that the Government have not done more, although they have got their act together to set up programmes—I suspect that we will hear about them from the Minister.

There are many different types of pension. There is that based to an extent on social insurance—the state pension—and that based on long-term savings by the individual, employer, or both.

John Mason (Glasgow, East) (SNP): I, too, congratulate the hon. Gentleman on securing the debate. He has just mentioned the issue that I was waiting for: employers contributing to pensions. Does he agree that we cannot have a purely public sector answer and that there must be a bit of private sector and individual thinking as well? One option would be to make it compulsory for all employers to contribute to all employees' pension funds, because if we could push up the amount that people get out of a pension fund, the public sector could target the people who really need help.

Bob Spink: That is an extremely valid point. Of course, the Pensions Act 2007, which the Government recently put through Parliament, moves a long way to achieving that. I think that that Act received all-party support in the House; it is a good Act. The problem with relying too much on employers is that the returns on equities and employers' ability to fund pension schemes have been greatly challenged in the past year. We must develop public policy to address that and fill that gap.

In the 1980s and 1990s, with rising equity markets and a falling state pension that was driven down by Government social policy—or, as some might say in relation to the '80s, lack of social policy—employers took the lead from Governments and started to provide decent pensions. That was a good thing—God bless them. However, with people thankfully living longer and the sudden fall in investment and stock market returns, private pensions are no longer able to provide sufficient income alone. The state must therefore step back up to the plate and do more. What the state has done so far has meant wide, extensive and demeaning means-testing, which is a problem, as I have already discussed.

Let us try to plough new ground in relation to the problem. The state has long encouraged pension savings, but opting out costs the Exchequer £10 billion a year. Pension savings tax relief costs us £30 billion a year, and half of that—£15 billion a year—goes to a few, rich people who are top rate taxpayers. That situation is like the Pareto rule. I am not even going to go anywhere near the 50-year-old banker's pension this afternoon—we have heard enough about that over the past week or

two—so let us focus on how effective and efficient the use of that £15 billion really is. Could it be used to help poorer pensioners, rather than being spent on yet another tax break for often tax-avoiding rich people?

I am talking more like a socialist than a Tory, but so be it. The answer is clearly that, yes, a major policy rethink is necessary, so I would like to set out eight specific responsible and workable suggestions to add to the one on TV licences that was made earlier. Some of them were suggested by Dr. Altmann, and I am grateful to her for her paper.

First, we should make computers talk to each other to automate pension credit awards. My campaign in Castle Point has already been discussed. I believe that many more people in Castle Point are now claiming their pension credit—I hope so, anyway. I used my communications allowance to run that advertising campaign and several others. It is absolutely right and proper that MPs should use the allowance to do good work in their constituencies and to inform constituents about things such as pensions, benefits, planning issues and so on. I try to do that, and I encourage other Members to do it.

Secondly, we should change the pension credit rule that assumes, in this day and age, an utterly ridiculous 10 per cent. return on savings. That is highway robbery. Thirdly, we should end the £5 a week earnings disregard. Fourthly, the Government should simply say "sorry" again and reinstate the 10p tax rate for pensioners and the lowest paid. Fifthly, we should change annuity rules in the coming Budget, so that we can give people who have to buy annuities over the next few months and years more flexibility. They are being badly stuffed at the moment, but the situation is not their fault. We should help them.

My sixth suggestion is that we should now end the interest rate cuts. It was right to cut them, and I congratulate the Government on their policy of action to try to work our way out of the world economic crisis, but we have gone far enough on interest rate cuts, and I hope that they will now stop.

My seventh point is that we should pay £140 per week to all those aged 75 and over. That would end savings disincentives and provide fair and equal treatment of women, which is something that I have argued for in the House. I voted against the Tory Whip on the issue a year ago. That policy would remove means-testing for almost all the elderly, which would be a good thing. Dr. Altmann estimates that it would cost less than £3 billion a year—not a lot of money when one considers the £15 billion a year that we waste on tax relief on wealthy people's pensions, which does not go a long way towards changing their quality of life.

My eighth and final recommendation is that we should issue specific pension and annuity gilts to take advantage of current low yields in the market and to help pensioners and the pensions industry.

The question is whether we want a fairer society. Those polices would be fair, and they would be popular. I draw attention, if I need to—I probably do not—to the much greater propensity of elderly people to vote. I ask the Conservative and Labour parties to say today that they will consider my suggestions. I hope that they will and that they will not simply slag me and each other off and fail to address the needs of vulnerable people and pensioners.

I am so lucky to be an independent MP. I have to read the Order Paper for myself, of course, but I am free of party Whips. Martin Bell, God bless him, once quipped that his party conferences were all party and no conference. Joking aside, the fact is that, as an independent, I can be terribly open and honest. I can say what I truly believe needs saying, and I try to do so. In a hung Parliament or one with a small Government majority, either of which is very likely after the next general election, an independent would have great influence, so I hope to return after the election to fight for pensioners, for people and for fair play in politics.

The financial sector has gone from the extreme of embracing risk to the opposite extreme of being utterly averse to it and thereby harming individuals and businesses alike. In short, it is now strangling the economy. It messed up, and now it is making businesses, pensioners and individuals pay. The stock market collapse has wiped billions off the value of investments and stripped massive sums out of pension funds, including those of charities. The credit crunch has hit the third sector like a steamroller, and it is not only limiting the sector's ability to raise money but leaving it with a big hole in its pension funds and massive problems as a result.

The Parliamentary Secretary, Cabinet Office, the hon. Member for Cardiff, West (Kevin Brennan), who has responsibility for third sector, recently announced improvements to the grassroots grants programme for building capacity, and I am grateful for that. He is a good man. Nevertheless, many charities face large deficits. The debate on the third sector may be for another day, but I put down a marker on it. We must return to it, probably in this Chamber.

Policy for pensioners is most important. There are many issues that I have not been able to cover today, such as incentivising people to work beyond 60 or 65, so that they do not fall off the cliff edge of retirement but get those bonus years and phase out of full-time work by doing part-time, third sector or voluntary work and continue to contribute their wisdom, reliability and application. They have so much to offer.

I have not mentioned health care or the charging and care regimes in residential homes. Those are all important matters for pensioners. I am sure that the debate will develop over the coming months. Again, I sincerely thank all the hon. Members who turned out for this debate and you, Mr. Jones, for your latitude.

3.6 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): I, too, very much thank Mr. Speaker for the opportunity to hold this debate on policy on pensioners. The terms of the debate are drawn quite widely to allow us not only to discuss the recent developments in the financial markets, as the hon. Member for Castle Point (Bob Spink) has done, but also to look at the experience of senior citizens in terms of services for the elderly that are provided by local authorities.

I congratulate the hon. Gentleman on securing this debate. As I implied in the question that I posed to him, he has been a strong campaigner for the benefit rights of senior citizens in his constituency. It was good of him to spend some of his communication allowance on that important issue. He referred liberally to Dr. Altmann, and I have attended some of the meetings that she has

[Mr. Andrew Pelling]

addressed in the House. I would like to contribute to this debate by discussing the experience in my constituency, and perhaps to draw some lessons from it. I am particularly grateful to the Croydon Older People's Network and to the Croydon Retired People's Campaign for the advice that they have given me, both in recent years and for this debate.

It is helpful to consider the experience of senior citizens in Croydon, bearing in mind that Croydon is a top-class local authority for adult services, or, to use another term, social services. Indeed, it was up for a nomination for a beacon award only yesterday evening for the good work that it does. It is a three-star authority for social services, which is the comprehensive performance assessment equivalent of a four-star rating. Although it did not secure the award yesterday—*[Interruption.]* I was under the impression that it had not, and am grateful to be corrected. I heard from the authority that it had not secured the award, but it has, which is excellent. It is recognition that, despite some difficult financial circumstances, an additional £6 million is being provided for adult services this year, including support for the elderly.

There are very real challenges in Croydon. I was grateful for advice from a Croydon voluntary action official who advised me that because of the adverse weather conditions in particular, as well as the current level of fuel poverty benefits, the Mayday, our local hospital, has had more elderly residents attending accident and emergency with chronic cold-related illnesses. I have not had the chance to check that with the Mayday. When I last called the chief executive's office for information, I was referred to the press department, which suggests that I was not going to get far—being referred to the press department normally means being supplied with very limited information, rather than extra information. Clearly, however, senior citizens have been put under stress by having to face higher fuel bills this winter, and Age Concern has said that one in three pensioners now face fuel poverty.

It is interesting that Croydon Retired People's Campaign estimates that 10,000 senior citizens in Croydon—the borough is quite large and has more than 350,000 residents—are living in poverty, defined as having an income of less than £7,850 per annum. In the context of the discussions ahead of this year's Budget, it is interesting to consider the point made by the hon. Member for Castle Point. Pushing extra money in pensioners' direction is an attractive option, because they are likely to have a high propensity to spend it. Their incomes can be very limited, so those moneys would be likely to find their way back into the economy. The past financial year was stressful for pensioners, because the impact of the high rate of inflation fell particularly on them. A high percentage of their expenditure goes on food and fuel, so they were particularly disadvantaged.

It is encouraging that we have strong organisations in Croydon, such as the Croydon Retired People's Campaign and the Croydon Older People's Network, which has a membership of 400 senior citizens. Those organisations have been conscientious in getting feedback on many of the good initiatives that the Government have taken, including "Putting People First", which showed very good vision in its approach to the care needs of the elderly. In the consultation on that initiative, it was interesting that the Government conceded that two thirds of senior citizens felt that they were not exactly getting a fair deal on their care needs. The responses from Croydon suggested that thousands of senior citizens felt that they were not getting fair access to services. As Members of Parliament, we often hear senior citizens express concerns about their different experiences of agency and permanent staff whom social services employ in adult services. Nevertheless, I do not want to give the impression that I am decrying the quality of services to senior citizens in Croydon.

The hon. Gentleman referred to the unfortunate 5 per cent. increase in council tax that his local authority is introducing, and council tax is an important issue for senior citizens. I have met many widows—as one does as a politician, knocking on doors—who live in properties with which they are reluctant to part because of the family memories they hold. Those women's savings are often heavily eroded by significant increases in council tax and the transference of other taxes to council tax, and such developments hit them particularly hard.

John Mason: The hon. Gentleman mentions the way in which council tax hits people on low incomes. Does he accept that it is basically an unfair tax and that although it might be a good thing to freeze it, it would be much better to replace it with something such as local income tax?

Mr. Pelling: I thought that the hon. Gentleman was going to boast about the council tax freeze in Scotland. There is no doubt that his proposal would lead to a significant improvement in senior citizens' circumstances. Governments have struggled—at least since the Layfield report on local government taxation—and a council tax freeze at this stage would be helpful.

On pensions generally, there are other considerations. Croydon council recently announced that in continuing to provide proper services to senior citizens it must meet the competing demands involved in keeping provision under its own pension fund up to scratch. The current financial crisis makes things extremely difficult for the local authority, and it has recently been suggested that its pension fund faces a £200 million shortfall. I know that that sounds like a large number, but I suspect that the situation is very similar in many local authorities, and that is a significant challenge. That said, Croydon council always pursued a rather extravagantly aggressive stance of investing its money only in equities, which does not work well in the current circumstances.

John Mason: On the point about local government pension funds, groups such as the Institute of Directors have suggested that we should get rid of such funds because they are unfair on the private sector. Does the hon. Gentleman agree, however, that they are better than nothing and that it is good to top them up a bit or help them in some way? The majority of people do not get a huge amount from them, and very few get a lot. The average worker in councils such as his and mine would not get a huge pension from these funds.

Mr. Pelling: I agree entirely. I was somewhat perturbed by the suggestion that was made. It is a bit like what is happening in the Republic of Ireland. My local authority

has suggested that it lobby the Government to be allowed to increase employees' contributions from 6 to 8 per cent. Going down that route would give rise to great consternation and great disruption to good industrial relations in local authorities.

I am, however, allowing myself to drift far too far from the issue of fair access to care. I am interested in the response from senior citizens in Croydon on this issue, because they tend to find that fair access to care is complicated, convoluted and sometimes lacking in compassion, despite the fact that the Government have the very best intentions. Indeed, the Croydon Older People's Network said:

"Older people in Croydon feel too many are missing out on essential services and are experiencing ill health and isolation because their needs are not being met".

It is fair to say that despite the local authority's best intentions, it tends to concentrate its support on pensioners with the most chronic needs.

We need to remember that many carers are pensioners or are about to become pensioners. Like many colleagues, I have come across people who have sacrificed almost all of their career, right up to becoming a pensioner. They have stayed in social housing with their mother or father, who has then passed away. Having made that caring commitment, and saved the nation a great deal of money, they find that they are unable to continue with the tenancy. I am currently dealing with the case of a gentleman who looked after both his ailing mother and his father. He lived in the property for 46 years, but now faces the prospect of being turfed out.

We need to bear in mind the fact that carers in employment, who benefit from the Government's generous carer's allowance, face difficulties if they want to leave employment and take up other benefits, because they will lose the carer's allowance. Rather perversely, the system encourages people to stay in employment who would perhaps save the state additional moneys by acting as full-time carers. I see many such problems as a director of Croydon Carers Centre. True independence is a distant dream for many older and disabled people, and charging and means-testing dictate that many older and disabled people are living their life in poverty or struggling to cope. The Government recognised that in their "Care, support, independence" consultation, and should be supported on the issue. However, pensioner poverty is so widespread—in the past year it has risen by perhaps 300,000—that it may take the total number living in poverty, when that is defined as being on less than 60 per cent. of the median population income before housing costs, to 2.5 million.

Many Members of Parliament often come across women pensioners living in poverty, because those women are not entitled to the full basic state pension. Many of them have paid not paid full attention to the matter in the past, or they may have been badly advised about the small stamp and been unable to pay their national insurance contributions, because of the need to care for their families. I know that the Government are concerned about that and want to deal with it, but it does not look good for our country that a recent European Union survey found that only pensioners in Latvia, Spain and Cyprus are more likely than those in the UK to fall into poverty. The Institute [illegible] Studies concluded that the proportion of pensi[illegible] the poverty threshold will remain at its current level at least into the next decade, despite the best intentions of the Government to reform the process.

For all of us who have benefited from saving for our pensions, the financial crisis offers a very bleak prospect, but there may be things that the Government can do to deal with some effects of the reduced interest rates, which can significantly affect pensioners, as the hon. Member for Castle Point mentioned. Age Concern takes the view that income from savings provides a modest but important top-up to the pension and benefits of many low-income pensioners, but the average gross savings rate on an instant access account fell from 4 per cent. to 1.6 per cent. over the year to January 2009. That can greatly affect the likelihood of a pensioner having a reasonable standard of living. For a pensioner couple with savings between them of £10,000, which is a substantial sum, the fall represents a reduction in income accrued from interest from £400 to £160 over a year—a loss of £4.62 a week. Perhaps it is possible for the Government to give consideration to the £16,000 upper capital limit for receiving housing benefit and council tax benefit. The rate has been frozen for several years, which is another source of frustration for older people, who feel penalised for saving. It is appropriate for the lower capital limit for income-related benefits to be increased to £10,000. The assumed rate of income for people with savings above the lower limit could be reduced to £1 in every £1,000, and the upper capital limit for housing benefit and council tax benefit could be increased.

I accept that it is easy for me to come to the Chamber and make suggestions about how things might be treated to deal with pensions needs, when the demands on the Government's finances are severe in the economic downturn. However, to repeat the point that I made earlier, if we want to stimulate the economy, we could do so by putting more money in the hands of pensioners, which is much more likely be spent locally in communities than it would if we took other economic initiatives. Despite the demands on the Government's finances, that might be justifiable from a macro point of view. From a micro point of view, I have spoken about Croydon, but I think that something can be said about the positive responses to the consultation carried out by Croydon Older People's Network and Croydon Retired People's Campaign: the Government's action is appreciated by Croydon people, but nevertheless the shortfall in standards of living affecting many Croydon pensioners suggests that further urgent reforms are required.

3.25 pm

Paul Rowen (Rochdale) (LD): It is a pleasure to serve under your chairmanship, Mr. Jones. I congratulate the hon. Member for Castle Point (Bob Spink) on securing the debate, and other hon. Members, including the hon. Member for Croydon, Central (Mr. Pelling), on taking part. It is a timely debate. In the run-up to the Budget it is important to discuss issues affecting pensioners, and pensioner poverty. As the hon. Member for Castle Point said, it is a huge issue, but I want to focus on some practical steps that I believe the Government should take.

Inflation has hit pensioners much harder than most other people, because their spending on fixed costs such as food, fuel or council tax takes up a much higher proportion of their income than is the case for most

[Paul Rowen]

other people. Figures provided by Age Concern show that in August last year, while the rest of us were dealing with an inflation rate of about 5.4 per cent., for pensioners it was 9 per cent. That is why in the past 12 months the number of pensioners in poverty has risen from 1.8 million to 2.1 million. This winter approximately one in four elderly people is opting to stay in bed because they cannot pay their fuel bills, and one in 10 must cut back on what they spend on food, or at least buy cheaper types of food, because they cannot afford not to. It is not a mark of a civilised society when pensioners, who have given so much for us, are forced into such choices.

I hope that the Government will recognise such concerns in the Budget and deal with the issues, such as fuel poverty. Fuel bills have increased by more than 40 per cent. in the past 12 months; yet in the pre-Budget statement the maximum increase in support for someone over 80 is only 25 per cent. The average fuel bill now is £900 and the maximum that any pensioner can get is only £400. There is a huge disparity. The Government's flagship policy is of course pension credit, but it has been dogged, despite all the Government advertising, by the stubborn refusal of a huge number of pensioners to claim what they are entitled to. The Committee considering the Welfare Reform Bill reported yesterday, and I welcome the fact that the Government are introducing a pilot programme to auto-enrol people and pay them the benefit to which they are entitled. That goes some way, but not far enough.

The poorest pensioners are those over 75, which is logical, because anyone who retired at 60 or 65 with any savings would, over a period, exhaust them because the state pension is inadequate. That is why it was regrettable that, when the Government changed the rules on backdating benefit claims, cutting the time to three months, they did not take account of information provided by Citizens Advice. The information showed that people over 75 would be worst affected by the change in backdating, because most older folk are very proud, quite independent and do not rush to claim something to which they are entitled. By the time they do make a claim, they usually have a large number of debts, so I regret that policy. It is why we would move to a citizens pension—£124.05 a week for a single pensioner and £189.35 for a couple—over two Parliaments. Immediately, however, we would grant it to all pensioners over 75, because they are the people who currently have the greatest need.

The Government have an opportunity with the Budget to demonstrate that they are concerned about pensioner poverty and its effects. As the hon. Member for Castle Point rightly said, the Government can introduce several measures to help those people. It is quite wrong that the notional interest for people's savings is still 10 per cent., because the amount of money to which a person is entitled when they apply for pension credit is eroded. The loss of the 10p tax band has also adversely affected a considerable number of pensioners. I do not argue for its reintroduction, because we believe in the principle of simplification, but it is important to raise the threshold to ensure that pensioners' income is sufficient, and to take account of the cut.

The Government have not tackled fuel poverty. Yes, the fuel allowance has been increased, but the Secretary of State for Energy and Climate Change, despite promising that he would legislate if necessary to do something with the fuel companies, has gone down the Ofcom route of trying to persuade people instead. The changes that have been made still mean that people who have card meters pay £51 a year more than those who are able to pay by quarterly instalments, and that is neither fair nor right. Those are some of the issues that the Government must tackle.

The earnings link must also be restored. I accept that the link with prices is right at the moment, but we have always said that the link should be with prices or incomes. The long-term change would more than make up for the losses. Although the prices link is currently more advantageous, in the longer term the earnings link must be restored.

During the passage of the last Pensions Bill, my noble Friend Lord Oakeshott tabled an amendment to make flexible the period pensioners have in which to purchase annuities. Sticking to the rigid age rule of 75 simply does not make sense in the current market. I know that the Minister cannot tell us what is going to be in the Budget, but I hope that she appreciates just how hard done by many pensioners feel due to the rigidity of that rule. The changes that Baroness Hollis secured for women are likely to benefit only a small fraction of those who are entitled to backdated payments, and that issue must be looked at. One change that the Government are introducing is a carer's allowance. It will go some way towards helping, but, for those women who have lost out because of what they have done in the past, payments must be made up.

There are 12 million pensioners in this country and they have given their best to serve it. The Government are helping them to some extent, but more needs to be done. If we can afford to pay for ex-bankers' huge pension increases, whether approved by the Government or not, we ought to consider the ordinary man in the street. I hope that the Minister will take account of that point.

3.35 pm

Mr. Nigel Waterson (Eastbourne) (Con): It is a great pleasure to serve under your chairmanship, Mr. Jones. I congratulate the hon. Member for Castle Point (Bob Spink) on securing the debate, and I thank the hon. Members for Croydon, Central (Mr. Pelling) and for Rochdale (Paul Rowen), who, in their different ways, made very helpful contributions.

It is helpful that the hon. Member for Castle Point has chosen this subject to tell us what his party might do. However, I saw only a couple of days ago that there was something of a distraction involving his colleague, Mr. Robin Page, who spoke about

"accusations of rigged internal elections, tales of extravagance and high living in Brussels".

Bob Spink: On a point of order, Mr. Jones. I am an independent MP who does not belong to any political party. I do not know what the hon. Gentleman is talking about, and he should really get his facts right.

Mr. Martyn Jones (in the Chair): Order. Can we keep to the subject of pensioners?

Mr. Waterson: I may have missed it, but if the hon. Gentleman has now joined the general exodus from the UK Independence party, I commend his common sense. I just wonder where his attentions will alight next. I wonder whether he has tried the Liberal Democrats.

In all fairness, although the hon. Gentleman's own one-man party may not be in government, he has given us all a chance to look at the current Government's policy and, perhaps, those of the next Government. I join him—I think it was him—in what he said about the two organisations, Age Concern and Help the Aged. We have all enjoyed huge assistance from them over the years, and it is great that they are about to embark on a joint life together under the provisional name of Age UK. Indeed, we have all benefited from the organisations' extremely informative briefing for this debate, in which they primarily talk about three different issues: first, rising pensioner poverty, much of it due to low take-up of benefits; secondly, the impact of interest rate cuts on savings, which has already come up in this debate; and thirdly, the plight of older workers in the economic downturn.

I shall focus on the Government's disastrous policies in respect of pensioners over a number of years. We could start with the decision on corporation tax in the Government's early days—the policy that they kept secret during the 1997 election campaign—going right the way through to the current economic turmoil, which is affecting pensioners so much. Back in 1997, the now Prime Minister said in his party's manifesto:

"We believe that all pensioners should share fairly in the increasing prosperity of the nation."

That is a very fair aspiration for a political party but, in recent times, there has been a double whammy: the Government not only failed to match that pledge while the nation's prosperity increased, but now seem to be ensuring that pensioners bear the brunt of the recession and of the nation's declining prosperity, both of which are due at least in part to the Government's own policies.

There are 2.5 million pensioners officially living in poverty—a figure that, by now, I am sure is well out of date—and one in three pensioner households live in fuel poverty. Many pensioners face huge problems and, as Age Concern said in its research last year:

"60 per cent of low income pensioners were struggling to get by... Two-thirds were cutting back on gas and electricity".

All those factors have got worse rather than better. More than one Member has today raised the issue of the inflation rate that affects pensioners. Owing to the fact that such a high proportion of their fixed income is spent on food, utility bills, heating and so on, they face an inflation rate in the real world of something like 9 per cent. Going round my constituency, which has more than its share of pensioner households, I find that many pensioners fear utility bills or the council tax demand arriving on the doormat. We have seen huge council tax rises under this Government. Our policy of a two-year freeze on council tax would be extremely popular.

On the earnings link, we could have theological discussions about what happened in 1980—when the hon. Member for Castle Point was a loyal Conservative, I am sure, and probably a Thatcherite—but in the here and now the Government are saying, "Yes, we will restore the link, but not yet." I understand that their current policy is that they will do it sometime in the life of the next Parliament. I think it unlikely that they would have that opportunity, but it would be good to hear from the Minister whether that thinking has moved on at all.

The subject of benefits is crucial to pensioner poverty. We have heard that £5 billion in benefits goes unclaimed by pensioners every year. Some 1.8 million pensioners are not claiming the pension credit to which they are entitled. Only the other day, I received some parliamentary answers about the proportion of pension credit claims that are not dealt with within the target period of 10 days. In fact, in the past year or two, it has taken something like 15 or 14 days to process these claims. People are desperate for help and are, presumably, able to negotiate the jungle of forms and information that they have to provide, but still the bureaucracy is not able to deliver within the 10-day target. I should be interested to hear what the Minister is doing to put that right.

Then there is the mystery of the £60 extra Christmas payment, which, as it now turns out, many pensioners will only get at Easter. Did we misunderstand the Chancellor when he made that announcement in the pre-Budget report? I am sure that he was not setting out to mislead people, but many pensioners out there have yet to receive that extra money. On the issue of savings, which has come up more than once, we are talking about pensioners who have done absolutely the right thing: when they were working, they set aside money, and saved for their retirement to supplement their pension, which successive Governments have always said is the right thing to do, but they are now looking at something like a zero return on those savings. According to Age Concern and Help the Aged, 9 million people over 60 have at least £1,000 in savings of some sort.

The other day, during departmental questions, when the tariff income rule was raised with the Minister, she seemed impervious to the suggestion that there was a problem at all. Surely, it is bad enough that people are getting a zero return on their savings, but does it not add insult to injury when they are told that it will be assumed that they are getting a return of at least 10 per cent. on at least part of those savings? There would be a stampede down the high street if anyone was actually offering that kind of interest rate. The brief from Help the Aged and Age Concern says that

"recent interest rate cuts mean that the current assumed rate is now completely out of step with the actual rate of income people earn from their savings."

What do Ministers propose to do about that? An interesting side point in the brief mentions tax overpayments, which are almost as important:

"Up to 3 million on low incomes, many of them pensioners, overpay a total of around £250 million a year in tax on savings income."

That tax is deducted, and many pensioners fail to claim it back. Again, it would be good to see what the Government have in mind to right those overpayments. The brief also says:

"HMRC must do more to identify those on lower tax rates and ensure that overpaid tax is refunded."

We want that money to go into the pockets of pensioners in these difficult times, not into the hands of the Treasury.

Mr. Truswell: With all due respect, does the hon. Gentleman understand why some of the hand-wringing points that he is making at the moment are profoundly nauseating to Labour politicians such as myself? Forgive me, Mr. Jones; I do not like to resort to anecdote, but my parents' experience was one of the motivating factors that drove me reluctantly into this murky world that we call politics. They worked all their lives on low incomes and retired on the basic state pension, which was eaten

[Mr. Truswell]

away, partly by the removal of the link with earnings. Under this Government, they have seen real-term increases in the annual pension, the minimum income guarantee and, subsequently, pension credit, the winter fuel allowance, free TV licences and free dental and eye checks. On top of that, they have access to a much improved NHS and the modernisation of the council house in which they have lived for 60 years, which went to rack and ruin under a Tory Government who cut housing investment by such colossal amounts. Does the hon. Gentleman understand why, given that record, some of the things that he is saying are profoundly offensive?

Mr. Waterson: I was always taught that the definition of a gentleman is someone who is never unintentionally offensive. I certainly was not setting out to offend the hon. Gentleman.

Mr. Truswell: I apologise for the use of the word.

Mr. Waterson: No apology is called for. I should just say that in the list that the hon. Gentleman managed to rattle out in his intervention, he omitted to mention that the one thing the Labour Government have not done in more than 11 years of government is restore the earnings link. Finally, they have belatedly legislated—it is on the statute book—but still they will not tell us exactly when they will do so.

There is a kind of demonology about what happened in 1980. I remind the hon. Gentleman, since he has given me a new rush of enthusiasm with his intervention, that a disastrous and financially incompetent Labour Government were replaced by a Tory Government who had some serious decisions to make about the economy, one of which was the decision he mentioned.

Bob Spink: Does the hon. Gentleman not see that the sort of exchanges that are going on here, and his seasoning his speech with bitterness and party political points, is just what the public do not want to hear and see? They want us to take a constructive approach to solving the problems that we face—they do not want us to try to lay the blame on others. When is he going to get real?

Mr. Waterson: If I am going to be patronised, I do not want to be patronised by a one-man party. *[Interruption.]*

Mr. Martyn Jones (in the Chair): Order.

Mr. Waterson: May I pluck something from the hon. Gentleman's comments with which I agree? Yes, let us stop all this bickering, and take the opportunity to sort these matters out. However, the way things are looking, we are going to have 14 months of this mess, as are the British public and the pensioners, before we can start sorting it out.

Returning to taxes on savings and savings generally, it is bad enough that people are getting nothing, but the tax treatment, including the tariff income rule, is unfair. Our policy of scrapping tax on savings for basic rate taxpayers would be useful. I hope that it will be considered—taking the hon. Gentleman's point—not in a party political light, but sensibly and genuinely by the Chancellor in the run-up to the Budget. Likewise, our proposal to increase the personal allowance for people of 65 and over by £2,000. That is real help for people in real difficulties.

I have talked about the collapse of the stock market, much of which emanates from the failures of Government policy and regulation. More than 1 million people work beyond normal retirement age, and there is an interesting article in *The Daily Telegraph* today by Emma Soames about the boomerang employees, who retire at 65 and go off somewhere for a year, perhaps to climb Machu Picchu, then return home, wanting to work a few days a week. The reality is that we shall all have to continue working longer than was normal.

My final point was raised by Age Concern and Help the Aged, which have given us a lot of statistical evidence about what happened to older workers in previous economic downturns. A London School of Economics study shows that unemployed men over 50 have only a one in five chance of being in work two years later, and the chance of older men finding employment falls by a quarter for each year that they are out of work. Age Concern and Help the Aged refer to their campaign, particularly in the European Court, to persuade the Government to scrap the default retirement age, but that is a big issue and perhaps one for another debate.

Sweeping aside the party political knockabout, to which the hon. Member for Castle Point referred, the group of people whom we are talking about will almost certainly bear the brunt of Gordon's Brown's recession. It is important to have some imaginative thinking, not just from the Minister, who is well intentioned, but from her colleagues in the Treasury, so that the Budget includes some practical measures to help pensioners.

3.51 pm

The Minister for Pensions and the Ageing Society (Ms Rosie Winterton): It is a pleasure to serve under your chairmanship, Mr. Jones. I congratulate the hon. Member for Castle Point (Bob Spink) on securing this debate and join him in his opening comments about the valuable contribution that pensioners have made to society. I also join him and other hon. Members in their comments about Age Concern and Help the Aged, which are both extremely valuable organisations for older people. I wish them well in their forthcoming merger, and I am sure that they will continue to be powerful in their lobbying activities and in providing services for older people.

I was pleased to hear that the hon. Gentleman's constituents were pleased with the Warm Front programme, and I take on board his points about the installers. I understand that a re-tendering process is taking place, and I am sure that there will careful examination of how those services are provided.

The debate provides a good opportunity to consider the general landscape of policies for older people, and it is worth reminding ourselves that one in four children born today can expect to live to 100. Another fascinating fact that I heard recently is that, by 2063, we in the UK will have our first 120-year-old. That woman—I am told that it will be a woman—is already drawing her state pension at the age of 65. That is all food for thought when planning policies for older people, which is why yesterday's beacon awards were important. One of them involved the engagement of older people in shaping policies at council level.

On the comments of the hon. Member for Croydon, Central (Mr. Pelling), although Croydon did not become a beacon council, it was nominated and should be congratulated on its involvement and on the engagement of older people locally, which we want to promote. He said that some of his constituents thought that the process of accessing council care services was perhaps not as good an experience as it should be. I firmly believe that the key to solving some of those problems is not only the extra resources that the Government have provided, but ensuring that older people are involved in shaping and developing services locally, regionally and nationally. We recently published our response to the Elbourne review to capture that spirit of involvement and to ensure that we set up structures, so that many of the older people's organisations that hon. Members have talked about today are properly taken into account when developing policies.

I certainly challenge the assertion of the hon. Member for Eastbourne (Mr. Waterson) that our policies for older people have been disastrous. We are concentrating on addressing some of the points that hon. Members have made about the problems that pensioners face in difficult times and the fact that they need real help now and that we must put money in their pockets. That is why we increased the winter fuel payment by £50 for the over-60s and by £100 for those aged 80 and over, why we increased the Christmas bonus by £60 for more than 12 million pensioners, why we increased pension credit by the highest amount since its introduction and why we are increasing the basic state pension by 5 per cent. from April this year.

In all, we will spend £90 billion on pensioners in 2009-10, which is £13 billion more this year than if we had simply continued with the policies of the last Conservative Government. We have lifted 900,000 pensioners out of poverty since 1998, but we are not complacent. We know that there is more to do.

I want to address some of the points made about comparisons with other EU countries.

Bob Spink: The Minister told us how much she is spending on pensioners, and I welcome that. She said that she wants to address the problem of poorer pensioners. Does she accept that, if some of the money spent on very rich pensioners—the £15 billion tax break on pensioner savings will help bankers who retire at 50 on massive pensions—were redirected to poorer pensioners, it might be more effective and helpful to society as a whole?

Ms Winterton: The hon. Gentleman is arguing that pensioners' savings have been hit—frankly, those are the more well-off pensioners—and he wants to remove tax breaks on pensioner savings and redistribute them, but I am not sure whether he can argue at the same time that people with savings should have more help. He might want to ponder that.

I want to return to the point about comparisons with other European countries and the recent EUROSTAT report and poorer pensioners. Even when taking into account differences in living costs across countries, the income of a poorer pensioner in the UK will be nearly a 10th higher than that of a poor pensioner in Germany, more than one fifth higher than that of a poor pensioner in France and more than twice that of a poor pensioner in Portugal. We need to look below the headline figures to understand our position when compared with other countries.

I want to deal with a question raised by the hon. Members for Croydon, Central and for Rochdale (Paul Rowen): why do we not just replace means-testing with a flat rate of £140 for all pensioners? The fact is that, from April, no pensioner in this country need live on less than £130 a week and no pensioner couple need live on less than £198 a week. Moreover, it is important to remember that pensioners on pension credit can claim housing benefit and council tax benefit. The average payout for housing benefit is £65 a week and for council tax benefit it is £15 a week, so we are immediately looking at an increase to between £130 to some £200 a week.

Replacing the current system with a flat rate of £140 or even £150 would mean that the poorest pensioners lost out. The poorest pensioners have often been women who were unable to build up the required number of national insurance payments, so we would be penalising the very poorest people, whom we have set out to help. That is the problem with introducing a flat rate. There has to be an element of means-testing. I admit that means-testing can be complex, because every individual is different. People will have different sources of income and different outgoings. However, adopting the Liberal Democrat policy of a flat rate would penalise the poorest people; it would provide a lower income.

Paul Rowen: What the Minister says raises two issues, one of which is take-up. The reason why we have said that there should be a flat rate for over-75s is the continuing problem with take-up. Such a flat-rate pension would not affect entitlement to housing benefit or council tax benefit, so people would be better off without having to fill in any forms.

Ms Winterton: I am not sure how the hon. Gentleman thinks that housing benefit and council tax benefit would get through. The other aspect that we have introduced is an increased ability, even when people have savings, to claim a small amount of savings credit. Whatever we do, we must have a system that enables people to access those payments. That is why I caution against what seems to be the easy idea of simply giving people a flat rate.

I also want to challenge the points that have been made about tariff income and particularly the point made by the hon. Member for Eastbourne. I have before me the regulations that were introduced back in 1987. I know that the hon. Gentleman was not elected until 1992, but I am not sure whether he complained at the time, perhaps as a prospective parliamentary candidate, about the Conservative party introducing a system whereby, for every £250-worth of savings, a notional income of £1 was considered.

When the current Government came to power, we changed the system, but let me be clear: the tariff income rules have never been about interest rates. Obviously, if the tariff income rules were linked to interest rates, we would have to change them every time interest rates moved up or down. The rules were laid down clearly in legislation and no link to interest rates was intended. The Government ensured that the system became more generous.

[Ms Rosie Winterton]

Under the previous Government's system, anyone with savings of more than £12,000 was not eligible for any support at all. As I said, the less generous rules of the previous Government assumed an income of £1 a week for every £250-worth of savings. Not only is the rate of tariff income half the previous rate, but we abolished the upper capital limit, giving more people access to support.

Mr. Waterson: Does the Minister recall that, in 2000, the Government of whom she is a member issued a consultation paper about changing the assumed income rule and that, in November 2001, they said that they had decided not to do that and not to take actual income from capital into account, but that they would assume a notional rate of income set at about 10 per cent.? Yes, the rule might have applied when my party was in government, but when we were in government, I do not recall any stage at which interest rates were more or less zero.

Ms Winterton: The point that I am making is that, as set down in legislation, there was no indication whatever that the rules should be linked to interest rates. That has applied since, and we have made the rates more generous. I can confirm in response to the hon. Gentleman that we have legislated to re-establish the link between the basic state pension and earnings, abolished by the previous Government. Our objective, subject to affordability and the fiscal position, is to do that in 2012, but in any event by the end of the next Parliament at the latest.

Fuel poverty was raised by the hon. Members for Croydon, Central, for Rochdale and for Castle Point. I reiterate that we have increased winter fuel payments. We have this year increased the Christmas bonus by £60, and cold weather payments have been increased from £8.50 to £25 a week for this winter. That has resulted in 8.3 million payments. I think that last year the total paid out in cold weather payments was £5 million or £6 million; this year it has been £209 million so far, so we have certainly been trying to help during these difficult times.

Bob Spink: Can the Government do something more to establish a consistent set of social tariffs and to have them publicised in a form that people can understand, so that the elderly can take advantage of them?

Ms Winterton: The hon. Gentleman is right to say that we need to continue to work with the utility companies and others to ensure that people are aware of social tariffs and that they are reaching people.

I also take the point that we need to continue the work that we have been doing to increase pension credit take-up. There is a big role for Members of Parliament in helping to inform constituents about that, and I know that many hon. Members in this Chamber will join many of the campaigns that are run by, for example, Age Concern.

A range of issues have been touched on and I will certainly take away a number of the points that have been made, but I conclude by reaffirming the fact that the current Government have made pensioners a priority. We are spending record amounts, putting more money in the pockets of today's pensioners. As well as the many measures that I have outlined, we have introduced free national off-peak bus travel, benefiting 11 million people over the age of 60, free eye tests, free TV licences for over-75s, and we are introducing free swimming from April. On average, pensioner households will be £1,600 better off this year as a result of our tax and benefit changes than if we had stuck with the policies in place in 1997. The Government are committed to tackling pensioner poverty. The poorest third of pensioner households will be £2,200 a year better off. That is about £42 a week. We are committed to tackling—

Mr. Martyn Jones (in the Chair): Order. We must move to the next debate.

Network Rail

4.10 pm

Mr. Jim Devine (Livingston) (Lab): It is a pleasure, Mr. Jones, to initiate this debate under your chairmanship.

I wish to raise a serious matter. It is to do with an article in the latest edition of the journal of the Transport Salaried Staffs Association by Gerry Doherty, the organisation's general secretary. First, I declare an interest, inasmuch as the TSSA has a constituency agreement with the Livingston constituency, which I am proud to represent.

TSSA is a trade union with some 30,000 members. It organises clerical, supervisory and managerial workers in the transport and travel industries, as the name suggests. About 7,000 of its members are employed by Network Rail, the not-for-profit company that replaced the failed Railtrack, which was put in charge of Britain's railway structure following the privatisation of the railways in the mid-1990s.

Network Rail receives about £3 billion of Government subsidy per annum. The company is managed by a board of six executive directors and a number of non-executive directors. There are no shareholders, because it is established on a not-for-profit basis, so the board is theoretically held to account by some 100 persons appointed by the board from within and outwith the railway industry. Mr. Doherty, the general secretary of TSSA, is a member of that body.

In his article in the union journal, Mr. Doherty says that he refused to endorse Network Rail's annual accounts at last year's annual general meeting; he alleges that public money is being used to mask breaches of employment law and possible discriminatory practices by the company. He says that for some time the company has been dismissing employees with no regard to the agreed procedures for dealing with alleged poor performance—or, more worryingly, to people's employment rights. According to Mr. Doherty, Network Rail achieves its aims by paying off employees to avoid matters being exposed in the public domain at employment tribunals. Details of the settlements, including the financial details, are covered up by the insertion of a confidentiality clause.

In an article in yesterday's *Daily Record*, Network Rail says that its position—an astonishing position—is no different from that of other companies of a comparable size in matters of that nature. Whether or not that is the case I have no way of knowing; nor do I know to which companies Network Rail is comparing itself. If other companies wish to spend their shareholders' money on such despicable practices, that is a matter for them. However, Network Rail is funded from the public purse, and the use of public money in that manner is utterly indefensible. We, the taxpayers, give Network Rail an annual subsidy of £3 billion to be invested in the renewal of our railway infrastructure—not to be used to dismiss its employees in breach of employment laws laid down by Parliament.

Sir Ian McAllister wrote to Mr. Doherty on 15 January this year; I have had sight of that letter. In it, Sir Ian indicates that in 2007 the company dismissed 247 employees, 38 of whom were covered by compromise agreements—that is, by confidentiality clauses. The figures for 2008 were 270 and 57 respectively. In the past two years alone, 95 employees have been dismissed by the company, and the details of their settlements have been covered up. The number seems to have increased year on year.

If an employee is successful at an employment tribunal in establishing unfair dismissal, the maximum compensation that can be awarded is £64,000. If Network Rail settled each of those cases at that level, it means that more than £6 million of taxpayers' money would have been used to cover up those illegal practices.

Mr. Jim McGovern (Dundee, West) (Lab): I congratulate my hon. Friend on securing this important debate. He says that the maximum compensation payable is £64,000. Is that a hint that, somehow, the company is paying greater sums of money as hush money, to guarantee people's silence?

Mr. Devine: That is one of the essential charges that I intend to make. I hope that the Minister will be able to say how much public money has been spent by Network Rail on such things. The minimum figure is £6 million.

If Network Rail has settled these cases at a lesser amount, what is the problem in putting that global figure into the public domain, as Mr. Doherty has asked? We could then judge whether our money was being used wisely. No one's identity would be revealed by making public a global sum, and it would not breach confidentiality clauses in individual agreements.

Even more worrying, however, is the assertion in Mr. Doherty's article that some of the settlements involved discrimination, and that last year the figure was 30 per cent.

Mr. McGovern: I thank my hon. Friend for giving way; he is being generous with his time. As a former trade union official, he will be aware that in cases of discrimination there is no financial limit on the amount of compensation that can be paid. Does he understand that to be the case?

Mr. Devine: I do, and I am grateful for my hon. Friend's intervention. I am sure that the House is aware that such payments can run to hundreds of thousands of pounds. It is therefore even more important that we find out how much Network Rail is paying in the cases that I have cited.

If the company uses public money to ensure that the allegations never see the light of day—that they never reach the public domain—that surely is a matter for the House and for the Minister. My information is that Mr. Peter Bennett, Network Rail's head of human resources, is presiding over a culture of fear and bullying. Long-serving staff are being forced out, but only after they have signed confidentiality clauses that prevent the culture of fear from being exposed in the public domain. There is a saying among Network Rail's staff that if someone is called to meet a senior manager, they are "away to a brown envelope meeting". That is indicative of the prevailing culture.

In November 2003, Mr. Bennett presided over Network Rail's so-called "Project Violet". Almost overnight, some 600 employees, senior and long-serving managers among them, were dismissed and offered terms that in effect precluded them from voicing concerns in an employment tribunal, given the substantial settlements that were offered—settlements paid out of the taxpayer's pocket.

[Mr. Devine]

Again, we do not know the full extent of those settlements, because they are not reflected in Network Rail's annual report.

Potentially millions of pounds of taxpayers' money is being wasted because the company appears not to want Mr. Bennett's management style to be examined at an employment tribunal. I remind hon. Members that claims of sex discrimination or other discrimination are not subject to the £64,000 compensation limit regarding unfair dismissal. There is no limit on the level of compensation that a tribunal can award in such cases. If my information is correct, therefore, and any of the 95 cases that Network Rail has settled in the past two years have involved such claims, the potential cost of settlement is likely to be much higher than the £6 million that I quoted earlier. No wonder that Mr. Doherty, doing his duty as a public member, refused to endorse the company's accounts last year without receiving answers to the legitimate questions that he raised. I suspect that he will do the same this year.

It is simply unacceptable for Network Rail to come to the Government annually to seek taxpayers' money to carry out its legitimate business of renewing our railway system, but then to use that money to circumvent the employment rights of its employees—employment rights laid down by this Government. Then to cover up how much money is involved in subsequently covering up these practices only exacerbates the crime. If, as alleged, any of that money is used to cover up alleged discriminatory practices on the part of the company, words fail me.

Mr. McGovern: My hon. Friend will be aware that, since I was elected in May 2005, I have campaigned on the subject of Dundee railway station, which is an atrocious station and is the first thing that many visitors to Dundee see. How does he think that the people of Dundee would feel if they knew that £6 million, and possibly more, has been spent covering up bad employment practices, when it could have been invested in Dundee railway station?

Mr. Devine: They would be as angry as the TSSA, Network Rail employees and my hon. Friend, because frankly it is an abuse of public money. We do not know how much is involved, but as he rightly says, it could have been spent on improving and investing in the rail network.

If Network Rail has nothing to hide, let it answer Mr. Doherty's questions in relation to the 2007 annual accounts and the questions that he will no doubt raise when the 2008 accounts are published. These questions are very simple: how many employment tribunal claims were taken out by employees or ex-employees against Network Rail over the years? How many were contested at tribunal by Network Rail? How many were successfully defended at tribunal by Network Rail? How many were unsuccessfully defended at tribunal by Network Rail? What was the total amount awarded against Network Rail by tribunals? How many settlements were reached between Network Rail and employees or ex-employees during the course of tribunal proceedings, but prior to a final hearing, whether by way of compromise agreement or otherwise?

What was the total amount paid by Network Rail in settlement of these claims? The general public have a right to know the exact figure, without breaching any compromise agreement or confidentiality clause, because this is our money. How many compromise agreements were reached between Network Rail and employees or ex-employees without the matter ever being the subject of proceedings in an employment tribunal? What was the total amount paid by Network Rail in settlement of these claims? Are these amounts included in the annual accounts, and if so, where can we find them? Those are crucial questions, answers to which should be detailed in the annual reports. We should know how much money Network Rail is spending in that manner. Finally, we need to know what bonuses were paid to senior directors of Network Rail in 2007 and 2008. In particular, it would be enlightening to find out the director of human resources' bonus and the performance criteria to achieve it.

I want to go further, however, and challenge Network Rail to indicate how many of the 95 cases that it settled by means of compromise agreements with former employees, in 2007 and 2008, included claims of sex, race or other discrimination. I have highlighted the potential cost implications for taxpayers of a substantial number of such agreements being for sex, race or age discrimination. It has been explained that a company can incur unlimited costs at an industrial tribunal over such charges. How much was paid in total in settlement of those claims, and has any action been taken against those responsible? Failure to answer these questions in an open and transparent manner will only add to the suspicion that this company has been using taxpayers' money to cover up breaches of its employees' rights and, even worse, alleged breaches of discrimination legislation.

4.25 pm

The Parliamentary Under-Secretary of State for Transport (Paul Clark): I congratulate my hon. Friend the Member for Livingston (Mr. Devine) on securing this debate, which raises some important issues. I also congratulate my hon. Friend the Member for Dundee, West (Mr. McGovern) on his interventions, which added to the points made.

Hon. Members will be aware that Network Rail is the not-for-dividend owner and operator of Britain's railway infrastructure, which includes the tracks, signals, tunnels, bridges, viaducts, level crossings and stations. The company's aim and purpose is, of course, to provide a safe, reliable and efficient rail infrastructure for freight and passenger trains to use. The company's set-up and governance affect the issues to which I can refer. Network Rail is a company limited by guarantee—a private company operating as a commercial business—is independent of the Government, is directly accountable to its members, to whom my hon. Friend the Member for Livingston referred, and is regulated by the Office of Rail Regulation.

Network Rail's members are drawn from the rail industry and general public. They do not have any financial or economic interest in the company and do not receive dividends, share capital or any other form of payment from Network Rail, except for travel expenses. Members perform a similar role to shareholders in a plc. As such, they review the performance of Network Rail against its commercial and other targets, as well as

industry benchmarks for its provision, maintenance and management of the railway infrastructure. It is the members' duty to act in the best interests of the business without personal bias. They do not make any strategic decisions themselves, but hold the board to account for its management of the company.

In particular, members seek assurances from the board that the necessary processes are in place and are being implemented to maintain high standards of corporate governance. The board is responsible for governing the strategic direction of the business, supervising its operational management and providing leadership within a governance framework, which it oversees. This extends to taking overall responsibility for financial performance, internal controls and risk management of the company, which, like any other employer in this country, has certain duties to its staff and must operate within relevant employment legislation and directives.

Network Rail is a company of some 35,000 people. My hon. Friend said that people have been dismissed for alleged poor performance, ignoring employment rights. His comments are on the record, but those are matters for the management to follow through on; as I have already indicated, the Government do not have direct day-to-day control over those matters.

Mr. Devine: I suspected that the Minister might use this argument, but he cannot seriously be telling the Chamber that, despite an investment of £3 billion a year, the Government have no remit to look after the management of that money.

Paul Clark: Of course the Government have responsibility to ensure that there is value for money. Whenever taxpayers' money is used, they have to ensure that it is used in the most effective and efficient way. As my hon. Friend is aware, numerous agencies exist within the Department for Transport—for example, those that run safety regimes for the Driving and Vehicle Licensing Agency—that operate on behalf of the Government, but which are not managed day in, day out by Ministers or their civil servants. I will come to some of the other points raised by my hon. Friend later in my speech.

In return for commitment from its staff, the company provides training and development for its signallers, maintenance workers, professionals and leaders. All permanent employees participate in incentive arrangements that reflect the company's performance against its key business targets for train punctuality, asset stewardship and financial efficiency.

In addition, the company offers a company pension scheme, which I know is the subject of usual industrial relations negotiations, and a 50 per cent. discount on season tickets. As well as helping to meet immediate needs, Network Rail believes that such an approach encourages people to stay and develop within the organisation. The company's equal opportunities policy seeks to ensure that anyone who meets the requirements of the job is eligible for employment within Network Rail irrespective of age, disability, employment status, gender, health, marital status, membership of a trade union, nationality, race, religion, sexual preference, social class or other non-job-relevant personal characteristics. The company also makes every effort to eliminate discrimination—direct and indirect—from the recruitment and selection process.

As I said earlier, this is a company of some 35,000 people, and as such there will always be cases in which someone gets dismissed. There are proper, recognised channels that have been negotiated over time and, in Network Rail's case, have been agreed by the trade union and the employer representatives. My understanding of the level of staff turnover in Network Rail indicates that there is nothing exceptional in its operation.

I take seriously the comments that Network Rail's management is presiding over a "culture of fear." I also noted the reference to 2003, which was, if I recall correctly, just after the Government replaced Railtrack with Network Rail, which has managed the infrastructure in a far better way. I do not know whether that incident was related to what my hon. Friend said about the dismissal of some 600 people. Again, the issue of what can be claimed from employment tribunals is a matter for discussion elsewhere. We are not discussing the legislation that governs employment tribunals and levels of compensation. One would assume that there would be substantial numbers of employment tribunal cases if that culture of fear was such that it was leading to many people fearing for their jobs.

I understand that Network Rail offers a range of positions with development programmes specifically tailored to suit the needs of everyone from school leavers through to graduates and experienced engineers. Those programmes lead to nationally recognised qualifications. I am told that some of the company's most senior engineers and managers have come through those programmes in past years.

Network Rail's success in meeting the challenges of the future will depend on the skills, motivation and capabilities of its people. More than 50 per cent. of Network Rail's work force are engaged in engineering functions.

Mr. McGovern: I should like to ask the Minister one question before he concludes his speech. My hon. Friend the Member for Livingston (Mr. Devine) asked 10 specific questions. Does the Minister intend to answer them today, or will he forward his answers to my hon. Friend at a later date?

Paul Clark: I intend to answer them, but I wanted to set out that we have a company that is making provision to recruit, train and retain staff within its organisation. That is why I was referring to the apprenticeship schemes that my right hon. Friend the Secretary of State for Transport visited at HMS Sultan in Gosport recently, and the advance apprenticeship scheme that was launched in September 2005. Moreover, NVQ and BTEC qualifications have been introduced, which will help to raise skills and to maintain a qualified work force within Network Rail, which is important both to the company and to the travelling public. The company has recently signed up to the Government's skills pledge and is working with the local learning and skills council to undertake an audit of all maintenance operations people on adult literacy and numeracy courses, and will then put in place a plan to help and support them.

As I have said, the Government do not operate and manage Network Rail on a day-to-day basis. Management and employment policies are negotiated through the usual channels, of which my hon. Friend the Member

[Paul Clark]

for Livingston is well aware. Therefore, the matters that have been raised today have already been raised by members of Network Rail at the annual general meeting. I am sure that there will be another opportunity to do that at the July AGM that will shortly be upon us. None the less, they are not matters over which we, as Ministers, have any locus to intervene.

As for bonuses, let me say again that that is a matter for Network Rail. However, I am sure that hon. Members would expect Network Rail's remuneration committee to be mindful of the public mood and not to award bonuses that the travelling public would consider unjustified by their own experiences of Network Rail's performance. I am referring here to the hundreds of thousands of commuters on the west coast main line whose services were cancelled and massively disrupted in the new year due to the poor maintenance of overhead wires.

Mr. McGovern: The Minister says that Network Rail will take on board the public mood about bonuses. Would he expect it to take on board the public mood about using public money to keep people silent?

Paul Clark: That is why this debate is important. I am sure that members of the Office of Rail Regulation and of the Network Rail board will read this debate with interest and focus their minds on the issue.

In conclusion, Network Rail is running policies that are helping to recruit and retain members, but there is, as always, a long way to go. This debate will highlight the concerns that exist across certain sections of Network Rail.

Effectiveness of the European Union

4.39 pm

Mr. William Cash (Stone) (Con): It is a great pleasure to serve under your chairmanship, Mr. Jones. I am sitting on the Front Bench because we do not seem to have a Front-Bench spokesman, but as I have been speaking from the front on this subject for the past 25 years, I do not see why I should stop. If the best way to keep a secret is to make a speech in the House of Commons, I have been keeping a lot of secrets in the past 25 years, because I have spoken about the European Union on many occasions.

I have chosen to speak about efficiency in the EU, because we need to look at the extent to which the institution has matched up to its promises. The word "effective" means making things work. On any reasonable standard, the EU has failed on the two fundamental tests that I would apply: first, it has failed on democracy and, secondly, it has failed on the economy, especially during the economic crisis that we are experiencing. The EU appears—people have thought this in the past but it has not yet happened—to be breaking up under the tensions.

Bob Spink (Castle Point) (Ind): The hon. Gentleman mentioned two tests on which Europe has failed—democracy and economy—but would he add administration to those failures? If, for 14 years, the EU cannot get its own budget past its own auditors, something is going very drastically wrong. It is not a matter of minor problems or a question of tweaking the accounts; major failures under each of the major budget headings mean that the EU cannot get its accounts audited.

Mr. Cash: In happier days, when the hon. Gentleman spoke with me in debate after debate on the European Court of Auditors report, among other things, I made that very point, as he will remember. The failure of administration is an example of the failure of democracy.

It is quite impossible to deal with this subject in the depth that it deserves in the 20 minutes for which I intend to speak today. I had a debate with Mr. Joschka Fischer last week. He was particularly pessimistic about the present world crisis. He argues for more Europe, but when I demonstrated to him all the reasons why Europe is not working, he became more and more unhappy at the figures and the arguments. Even my Europhile friends, including professors of international relations, former Cabinet members and others—Eurosceptics like me do have Europhile friends—never thought that the arguments made by myself and others in the past 15 or 20 years would be proved so right. I am not here to say, "I told you so". Rather, the debate is of immense importance to elected people and electors. They are the ones who matter.

I am concerned that the legal framework—the European Court of Justice adjudicates at one end, and an unelected Commission initiates legislation at the other—is creating an impossible situation and a compression chamber. The 27 member states need to act unanimously to overturn an ECJ decision, which is a straitjacket. When things go wrong, such a concrete system is completely unacceptable and unworkable in a democracy. Democracies have to change with the times. Unfortunately, the EU is designed to continue, irrespective of anything else, towards further and deeper integration, whatever the consequences.

I will give the EU credit on its propaganda machine, which is heavily and brilliantly financed. I will not repeat the debate that we had with the former Minister for Europe—he is now Secretary of State for Transport—on "Plan D" in Standing Committee, but there is no doubt that the money that is made available by the European authorities for argument within the EU always goes in the direction of organisations that are in favour of integration, and not to those with other views. Of course, the question is who is right? More and more, it is becoming obvious that those of us who wanted to come out of the exchange rate mechanism, fought our own Government over the Maastricht treaty, and over the Amsterdam and Nice treaties, and have watched the referendums on the constitutional treaty in places such as France and Holland, were found to be right.

I was in France and in Ireland during referendum campaigns on the Nice treaty. The EU is bullying the Irish again, and I hope that it gets its comeuppance—the way in which the EU has ganged up on the Irish is disgraceful. In denying referendums to countries and by not complying with the decisions taken by ordinary people, it is distancing itself further and further from the people, which is out of kilter with the arrangements prescribed by the Laeken declaration. I did not believe in the declaration, but there we are. It is always theology first, democracy second.

A YouGov poll last week asked people how strongly they felt about 10 issues: immigration, the powers of the European Union, traditional family values, identity cards, prison sentences, taxation reduction, climate change, council tax, grammar schools and public services. Despite the deliberate attempts by all political parties to dumb down the European issue in the past year—I except the debate on the Lisbon treaty—immigration, which is very much an EU-related subject, came top by a very significant margin, and reducing the powers of the EU and increasing the powers of Britain's Parliament came second. There are serious lessons to be learned from that.

Back in the 1980s, I remember reading the Cecchini report. The Minister might think it a shame that I did not read all 16 volumes. Some 11,000 businesses were interviewed. The conclusion was that the report would trigger a supply-side shock to the Community economy as a whole, leading to lower prices, greater competition, lower Government deficits, reduced inflation and substantial job creation. That was the essence of the economic argument for the European Union's integration process, but not one of those things has proved to be the case. In fact, on almost every count, exactly the opposite has happened. Take Government deficits, for example: the promises that were made were outrageous. We predicted that it would not work, but the EU has continued down that course. The foreign workers issue, on which I have introduced the Employment Rights Bill to try to get fairness for British workers, is a good example of where the EU has gone wrong. People believe profoundly that there is unfairness in the European Union. That is bad for democracy and for the European Union.

There is also the question of the Lisbon agenda, which has not worked. I do not have time to go into all the details. On over-regulation, as Mr. Verheugen said, massive over-regulation—£100 billion worth a year—is endemic throughout Europe. I have done research on the benefits claimed in the Cecchini report, which were estimated at about €300 billion, but even advisers to the European Commission recognise that they have not been realised, as the single market document "Yesterday and Today" by Canoy and others clearly indicates.

On the costs of compliance, the Boyfield and Ambler and Chittenden reports demonstrate that financial regulation is costing the City £23 billion. A letter in the *Financial Times* only last week discussed the question of extending banking and financial services regulations to supersede our own in the City of London, which must be resisted at all costs. Majority voting will result in other member states imposing on our country, and dictating to it, decisions that belong to us in our Parliament. I have consistently proposed a supremacy of Parliament clause in legislation. My party supported such a measure during debate on the Legislative and Regulatory Reform Act 2006. We lost the vote, but we won the principle within the party. After several Whips' meetings, they decided to endorse it, and I sincerely trust that they will continue to do so.

We must not only override European legislation but do more. When the voters who have elected us in general elections decide what they want, those wishes and democratic decisions should not be overridden by European legislation. We should exercise the veto where necessary. Where our Parliament, on the basis of our democratic credentials and the fact that we have been elected, wishes to disagree with the European Union, we, in line with a national association of nation states, must assert not only our latest Westminster Act of Parliament but require the judges to obey that Act and not the European Union and the European Court of Justice. That is a fundamental matter of democracy.

Riots are already occurring. That is not scaremongering, as there have been riots in Italy, Greece and Latvia. There are problems with regard to countries such as Bulgaria and Romania. The European Union is being extended and enlarged. As I said to the Minister for Europe the other day, we are enlarging to take in countries such as Macedonia, Kosovo, Bosnia and Herzegovina and Albania, which is a centre for the cocaine trade. That is ridiculous. We do not wish those countries ill by any means, but even from a European integrationist point of view, if we are considering bringing in those weak countries that must mean that we should put a halt to it.

The EU is throwing money at the pre-accession countries as well. I read in *The Daily Telegraph* the other day that the enlargement strategy is being put on hold, but that is not the impression that I got from debating with the Minister only the day before yesterday. The common agricultural policy is a complete mess. We should enable our farmers to engage in fair, free markets and to earn their own living, not put them on single payment arrangements irrespective of what they do and depending on acreage, not production.

Unemployment figures throughout Europe are critical. In Spain, they are escalating massively. None of the European Union promises—the Lisbon agenda and the economic recovery plan—are working. The arrangement is not efficient or effective, and that is not just because of the United States of America and the sub-prime mortgage crisis. Unemployment is rising, because the system is not working. Europe does not have any answers except to produce more integration, more laws and

[Mr. Cash]

more complications way above the heads of the voters. I fear that the matter is not getting the coverage that it deserves.

The eurozone itself is in crisis. Several countries are said to be on the point of breaking down, and now we hear that Ireland is going to be promised a bail-out by Germany, no doubt to keep the referendum on the right side. At the same time, however, that will happen only on the basis that Ireland abolishes its corporate tax advantages. That is absolutely crazy politics. It is Alice in Wonderland stuff, and very, very dangerous.

What is going on—the turmoil inside that compression chamber as it begins to implode—will bring out substantial instability. The strikes and riots may well continue, and they may end up giving ground to dark forces. We must get ahead of the argument to forestall extremists such as the British National party which, by the way, managed to get two points ahead of the UK Independence party in the most recent YouGov opinion. This is a serious matter. I speak as a Member of Parliament with a constituency adjacent to Stoke-on-Trent, where BNP numbers are significant.

I speak to my own party as well as to others. I am sorry that we do not have a Front-Bench spokesman here today to speak for me, but I will speak for myself. We must keep ahead of the curve. We need to reorganise and radically reform the European Union. I appeal to the Government and to my own party to come up with policies that will change the EU. I am in favour of European trade and co-operation, but not European government. I believe profoundly that it is not anti-European to be pro-democracy. I am not arguing that we should leave the Union, like the hon. Member for Castle Point (Bob Spink), but it may well turn into that. It may become inevitable. The objective will be brought upon us.

Bob Spink: Surely the hon. Gentleman acknowledges, though, that the only way to obtain root-and-branch reform of the CAP and the common fisheries policy and to regain control of our own laws is to renegotiate the European Communities Act 1972, which would effectively mean coming out of the Union and re-forming a trading relationship with the rest of Europe. That is the only way forward.

Mr. Cash: Curiously, I do not disagree, and I have said as much. They put up the deputy leader of UKIP against me in the last general election. He lost his deposit and did not stay very long for the poll, but I had a public debate with him. I believe that the moderate, sensible attitudes that we in the Conservative party can develop towards achieving an association of nation states is the way to go. Trade, not government, should determine how Europe functions.

This is about who governs; it is about voters, elections and freedom of choice in the marketplaces of both the commercial and the political world. That freedom is the essence of a democracy. Both of them work, provided that they operate fairly. We want fair and free trade and fair and free politics. Within that framework, we can sort out the European Union. I am sorry that the media do not give as much attention to the subject as it deserves, because we are in a crisis in Europe—a vortex that could turn into a maelstrom if people do not get their act together and start renegotiating seriously for an association of nation states with the characteristics that I have described.

I conclude by saying, as a very wise former Cabinet Minister said to me this morning, that it is also a matter of national identity that we get this right. It is about keeping our nation together. The European Union is not a nation. We play the ridiculous games of majority voting and comparative advantage; we deal with the complications of UKRep, COREPER and the rest of it. The reality is that people want good government, they want stability and they want to know that when they vote in a general election, they will get the Government that they want, who will produce policies and laws that they are prepared to live with and obey. Where it turns out that they do not do that, because the European Union system deliberately prevents it, and we have unelected commissions and courts of justice laying down how people should live, the bottom line is that people will eventually revolt against it.

It may be that we can solve the problem by getting ahead of the curve, but right now we are hearing more and more calls for more and more integration. It is fundamentally undemocratic. As far as I am concerned, the Conservative party has an overriding duty, consistent with its traditions, to trust the people and to provide a model, both after the general election and in the manifesto before it, to assert the supremacy of our Parliament on behalf of the voters and to ensure that we have a referendum, whether or not the Irish vote yes on the second round, when they have been bullied into it. There should be a referendum whether or not there is ratification. We must then sit down and work out with our European neighbours a kind of Europe that will work and that will be democratic and effective, which it certainly is not at the moment.

5 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Gillian Merron): I congratulate the hon. Member for Stone (Mr. Cash) on securing the debate. Of course this is not the first time that he has argued these points, among others, in the House, and I am absolutely certain that it will not be the last. I have listened to his concerns about the EU not being an effective organisation on many fronts and I still have a sneaking suspicion that beneath all that he says lies a hankering to leave the EU, which is not the wish or policy of any mainstream political party, including his own.

It will be helpful to remind hon. Members of where the EU has been effective in the past 50 years in boosting our economy and improving the lives of British people. The hon. Gentleman has said what he thinks this issue is all about; I think it is about the interests of the British people. Perhaps we just about concur on that point, although we come to it from a different place and we set off from it in different directions.

Bob Spink: If the Minister is going to talk about how the EU is boosting the economy, will she explain how a £40 billion trade deficit between this country and the EU has done anything to promote jobs in this country? I expect that she will say that about jobs, but if she believes that, she must believe in the tooth fairy, as well.

Gillian Merron: Perhaps I do believe in the tooth fairy; it served me well when I was young. On the serious point that the hon. Gentleman raises, EU membership has been a major boost for the British economy in the past 50 years. An estimated 3.5 million British jobs, including jobs in my constituency of Lincoln, are directly and indirectly linked to the export of goods and services to the EU, which is the UK's main trading partner, with trade worth in excess of £400 billion. That is 52 per cent. of the UK's total trade in goods and services, so it is impossible to turn away from that.

In 2006, British companies exported about £150 billion-worth of goods to EU countries. Exports from the UK service sector, which is enormously important to us and our economy, were worth more than £45 billion in 2005—an increase from £30 billion in 1995. The single market has raised gross domestic product by an estimated 2.2 per cent. across the EU, bringing an average benefit to every person in the UK of £360 a year. Also, the UK's EU membership helps to attract a high level of foreign direct investment from non-EU countries, because international companies choose the UK as the gateway to their European operations. There is still work to be done to make the EU even more effective at boosting our economy and the Government take those matters extremely seriously. We work with our partners to simplify and streamline the regulatory burden on business, which I am sure we all agree is necessary.

I am absolutely clear that leaving the EU would be hugely damaging to our economy. It would leave British goods subject to customs controls, we would need export certificates and certificates of origin for our goods, and tariffs would be payable on our goods and agricultural exports. We would still have to accept many of the EU laws that govern the operation of the single market to ensure access to it for our goods and services, but we would not be part of the negotiations that decide on those laws.

Bob Spink: Will the Minister give way?

Gillian Merron: I am going to continue, as I have only five minutes left. I apologise to the hon. Gentleman.

The EU is acting to tackle the present economic and financial crisis, and co-operation across Europe will be crucial to getting us out of recession. The Prime Minister has been at the forefront of EU action. At the October 2008 meeting of the European Council, EU heads agreed on a common approach that is based on guaranteeing bank funding and on recapitalising banks as necessary. In December, member states agreed to act together to boost spending and to accelerate reform, including on employment, skills, energy efficiency and digital infrastructure, in a concerted push to help our economies to recover.

Mr. Cash: Will the Minister give way?

Gillian Merron: I am going to continue. The hon. Gentleman has made some important points, and I must have some opportunity to respond.

At last weekend's informal summit, EU leaders agreed to take action together to improve the regulation and supervision of financial institutions and to make the maximum possible use of the single market as the engine for recovery to support growth and jobs. As a constituency MP, I am certain that that is the way we should be going. United action is vital to the UK economy, as it has a much greater impact on business and consumer confidence than the Government could ever have when acting alone.

On effectiveness in relation to the multiplier effect, I believe that the EU adds to what the UK could do alone. That applies to many UK priorities around the world, including climate change, sanctions against Zimbabwe, peacekeeping in Kosovo, guarding refugees in Chad and monitoring the ceasefire in Indonesia. Where we agree with EU partners and act together, that action is more effective than any action we could take alone. Environmental issues such as air pollution and carbon emissions do not have any respect for national boundaries and they do not stop to show a passport. By working together on such issues, we give a clear lead to the rest of the world in tackling this global threat. The EU is leading the world in brokering an historic climate change agreement, and we are the first Government in the world to introduce a climate change Act. In December, the EU agreed legislation that will deliver a unilateral commitment to reduce greenhouse gas emissions by a fifth, compared with 1990 emissions, by 2020.

The EU is delivering on safety and security. We co-operate with EU partners on terrorism, illegal migration and organised crime and that co-operation directly improves the security of UK citizens up and down the country. The European arrest warrant was used to extradite to the UK from Italy, within weeks, one of those who attempted to bomb the London underground on 21 July 2005. The Dublin system enables the UK to identify asylum seekers who have already lodged a complaint in another member state and return them to that state.

I thank the hon. Member for Stone for enabling us to debate the effectiveness of the EU, because it allows us to think more broadly about what is effective. He talked about accountability, on which I would say that democracies need to move with the times, which is why the Lisbon treaty is so important. It will ensure that the EU can now be more effective. Member states define the powers that the EU is given by the treaties, and it is therefore in the UK's interests that the EU's powers and where it can and cannot act are set out explicitly. The Union's competencies are defined in the treaty for the first time and it sets out where the EU can and cannot act. I hope that that is welcomed by hon. Members across the House.

There is, of course, a true commitment from the Government to ensuring that the UK remains at the heart of the EU and gets the best for Britain.

Mr. Cash: Will the Minister give way?

Gillian Merron: No, because I would like to conclude.

Mr. Cash: A referendum, please.

Gillian Merron: I believe that the hon. Gentleman has debated the referendum many times and has been advised of the free will of both Houses in already deciding that there should not be a referendum. We deal with that matter within the Houses of Parliament, which I would have hoped he supports.

[Gillian Merron]

The Government are committed to ensuring that the UK remains effective and at the heart of the EU, and that they get the best for Britain. Our policy is clear: we want to implement the Lisbon treaty if all member states ratify it, and we want to move on to tackle the challenges that matter to the people in our constituencies—jobs, prosperity, security, and climate change. All our EU partners agree on that.

If I understand it correctly, the policy of the official Opposition is to reopen the whole question of the Lisbon treaty, on which this Parliament has already spoken, and seek some new agreement, but they will have no allies in other EU countries—either in government or in mainstream opposition. Introducing uncertainty into our relationship with the EU would be bad for business and bad for our economy. This, more than ever, is not the time to start on a road which leads in the direction of withdrawal and our own exclusion from the single market.

5.10 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).

Westminster Hall

Thursday 5 March 2009

[JANET ANDERSON *in the Chair*]

Adults with Learning Disabilities

[Relevant documents: Seventh Report from the Joint Committee on Human Rights, Session 2007-08, HC 73, and the Government's response, Cm 7378, and further response, Cm 7536.]

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mark Tami.)*

2.30 pm

Mr. Andrew Dismore (Hendon) (Lab): It is a year to the day since we published the report. It takes quite a while for these debates to work their way through the system, but that does not mean that this one is any less important. Human rights matter most to vulnerable people, and adults with learning disabilities are among the most vulnerable people in the UK. We began our inquiry two years ago, in the light of shocking revelations about the treatment of adults with learning disabilities, including years of abusive practices in Cornwall, neglect and institutional abuse in Sutton and Merton, and six deaths in NHS care, described by Mencap in its report "Death by indifference". Those tragic events suggested that the human rights of adults with learning disabilities are not well respected in the UK. Indeed, 10 years after the introduction of the Human Rights Act 1998, we still found it necessary to underline in our report the fact that adults with learning disabilities have exactly the same human rights as everyone else.

Throughout our inquiry, I had mixed feelings of admiration, sadness and anger. I had admiration for the huge number of family carers, battling against the odds; admiration for the dedication of professional carers, such as the one we met at the Home Farm Trust, who helped to take someone with extremely profound learning difficulties on holiday to Spain; and admiration for the many people with learning difficulties achieving so much for themselves when given the chance to do so, despite consistently unfair low expectations.

I was saddened by the story of the Lewisham college teenager who could not go out with her friends, because there was no one to take her and she was not allowed out alone, and by the story of the other student I met there, who had experienced the death of no fewer than five of his school friends during his school life. I felt anger at the many tales of avoidable discrimination, blatant hostility and neglect. We on the Committee learned a great deal ourselves—probably more than in any other inquiry in which I have been involved. We learned how people with learning disabilities have been dehumanised through stereotyping for centuries, suffering discrimination and ill treatment and seeing a lack of respect for their rights as part of everyday life. We learned how low expectations mean that people with learning disabilities are unlikely to have a job, are more likely to live in poverty, will not have normal social relationships and will continually suffer a lack of privacy and dignity. We were told, "No one is up in arms about how little choice we have over our everyday lives." We all need to recognise that people with learning disabilities have the same rights as everyone else and are entitled to equal treatment.

Under my chairmanship, the Joint Committee on Human Rights has emphasised how the Human Rights Act can improve the lives of everyone in the UK. Too often, the Act has been derided as a charter for criminals, with nothing to offer ordinary people, or it is regarded by public bodies as another regulatory provision with which to comply, ending in a legal department tick-box exercise. We argue that the Human Rights Act has the power to transform the provision of public services for the benefit of all. By focusing first and foremost on the rights of service users, public services can be tailored to meet the needs of users, rather than those of providers. I shall give examples later of how the Human Rights Act could help the delivery of services to adults with learning disabilities.

Dr. Stephen Ladyman (South Thanet) (Lab): Does my hon. Friend share my wish to advertise more the positive impact of the Human Rights Act, particularly for people who need care services? There are myriad examples of people who have been abused or denied proper services—older people, people with disabilities and people with learning disabilities—and who have been able to restore their rights because of the Human Rights Act. It is ridiculed in many areas of the press and we should advertise its successes far more widely.

Mr. Dismore: I agree. Such positive stories do not fit the media narrative. This is not just about case law; there have been plenty of cases in which the Human Rights Act has been used in a positive way to help the rights of people who are at a disadvantage. It is also about trying to instil a change of philosophy and approach in public services, so that people need not go to court, because public services are delivered in a positive, human rights-compliant way—that is, in a way that is respectful towards the service user. We found plenty of examples of that, not only in this inquiry, but in many similar inquiries that we have undertaken.

During our inquiry, we received more than 200 submissions, including dozens from people with learning disabilities and their carers. We took advice from the British Institute of Learning Disabilities on how to engage adults with learning disabilities. We took oral evidence from people with learning disabilities. We visited Lewisham college, where we spoke with learners and staff in their school of supported learning. We met members of a local KeyRing housing and support network in south-east London. We visited people with more complex and profound learning disabilities at a resource centre in Bidford-on-Avon and at home in supported accommodation in Evesham.

We published our report a year ago in formats including easy-read and audio versions, which we believe is a first for Parliament. A key barrier facing people with learning disabilities is the lack of accessible information, both about matters of interest to them and about their rights. The Government reply was published in May 2008 and we received a further reply in January this year, when the latest version of "Valuing People Now", the Government's delivery strategy for adults with learning disabilities, was published. We also published a report

[Mr. Dismore]

on the UK's plans for ratifying the UN convention on the rights of persons with disabilities, to which I shall return.

I very much welcomed the positive spirit in which the Government engaged with the Committee during its inquiry and the serious consideration that they have given to our report. However, I have a number of questions to ask my hon. Friend the Minister about the new version of "Valuing People Now", even though I am pleased to note that the document addresses a number of our key concerns. The Government's strategy for adults with learning disabilities is now more explicitly rooted in human rights and equality, and it is for the Government to deliver that rightly ambitious agenda.

There was some good news, too. The old long-stay hospitals have largely gone, but there is still, unfortunately, institutionalised living, with the needs and lifestyle of the individual sacrificed to those of the institution or organisation caring for them. Most people with leaning disabilities now live for much longer and many more survive childhood. There are many active self-help groups. Spending on adults with learning disabilities has doubled, yet there remains huge pressure on budgets. Person-centred planning, the Supporting People programme and direct payment systems all help to encourage independent living. There is much good practice, as we saw on our visits, but there remains a yawning chasm between the policies of "Valuing People" and "Valuing People Now", and the everyday experiences of adults with learning disabilities.

I shall now deal with some of the key themes of our report, including supporting adults with learning disabilities in their everyday lives, parenting, health care, the criminal justice system, information provision and advocacy. Those issues affect people with learning disabilities throughout the country every day. I shall conclude by considering what the Government and we in Parliament can do to respect the human rights of adults with learning disabilities better and to improve their lives.

One of the main ways in which relatively minor changes could have a disproportionately beneficial impact on adults with learning disabilities is by supporting social relationships and community participation. We heard how staff rotas in residential accommodation too often determine when adults with learning disabilities can go out and when they must return home. Residents may be able to go out only if they are in a group, accompanied by carers. One resident told us, "Our carers' shifts change at 9 pm, so we have to leave the leisure centre at 8.30." Another told us that his carer had said that he could not kiss his girlfriend—the carer said, "We've got to draw the line somewhere." Many complained, "We're stuck at home", "We'd like to go to bingo or the pub" or "We have to go out in a group." Maintaining family contact was sometimes difficult if the person with learning disabilities was placed by the council in out-of-area accommodation.

Tightening local authority eligibility rules has led to the prioritising of those with complex needs at the expense of those with less serious problems but, inevitably, smaller sums can disproportionately benefit the less disabled. A small amount of money can go an awfully long way. The factors that I have set out inevitably discourage adults with learning disabilities from forming friendships and relationships—the type of interaction that most people take for granted. In "Valuing People Now", the Government say that they will work with the Care Quality Commission to address that problem. I welcome that: relatively small changes in practice will make a huge difference to the lives of adults with learning disabilities. Will the Minister confirm that that is a priority area for improvement?

Housing and genuine choice about housing are of great importance. A high degree of independence is possible with appropriate support, as our visit to KeyRing and our discussions with its residents showed. Indeed, one resident said that she seemed to be looking after the carer, rather than the other way round. There is an unnecessarily strong risk-averse approach to helping people to live independently, which closes down options to the detriment of choice. Paid employment is also very difficult to obtain. In that respect, there has been very little progress, and it is often hampered by benefits issues, yet people with learning disabilities are, with the right support, motivated and reliable employees, as we saw, for example, at Lewisham college. I have visited a similar project in my constituency and seen the same there.

Adults with learning disabilities have the same right to vote as everyone else. In practice, however, it is all too common for staff in polling stations to jump to the conclusion that they lack the legal capacity to vote and they are turned away. We in political parties, too, can be guilty of such assumptions when campaigning. The test is whether the individual has the capacity to understand in broad terms the nature and effect of voting, and has the ability to make a choice between the candidates. We called for more guidance to be made available to returning officers, so that they can train their staff to respond correctly to voters with learning disabilities. The Government said that that was a matter for the Electoral Commission. Will the Minister take up that matter with the commission?

Mr. David Drew (Stroud) (Lab/Co-op): What my hon. Friend says is important. When I first stood for Parliament in 1992, I was shocked to find that I could not translate into some form of symbolic representation who I was and why I was standing. There is no way to do that other than through those who work with people who have learning disabilities. Things may have improved in the wider electoral process, but surely there should be some service to allow us to communicate our electoral material so that all people can make a choice? Otherwise, some people, I am sure my hon. Friend agrees, are excluded from the process.

Mr. Dismore: I very much agree with my hon. Friend. I shall say a little more about Parliament later, but the main political parties ought to consider whether it is possible to produce electoral material in easy-read format. Much material is produced in minority community languages, and I produce a lot of localised information in those languages. However, my hon. Friend is right to say that producing such information in easy-read format can be difficult.

The Committee made a series of recommendations on parenting. Too often, it is assumed that adults with learning disabilities cannot look after their children properly. That leads to family break up and the forced removal of the children, with associated harm to the

children and their parents. Often, all that is needed is some targeted support to keep a family together, allowing parents to demonstrate that they can look after the child, and that they can respond to risk in a way that is both proportionate and necessary. For instance, we were given the example of a learning difficulties mother being asked to demonstrate on a robot baby that she could look after her child; she found it rather difficult to relate to the robot, so it was not a good test.

The Government's good practice guidance should reduce the risk of parents and children being wrongly separated as a result of such unjustified assumptions. However, we heard evidence that the guidance is not being implemented. Routine information that is normally given to parents without learning disabilities is not provided in an accessible way to those who have such disabilities. How is the Minister monitoring the implementation of the guidance, and what can he do to deal with examples of bad practice?

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): I thank my hon. Friend for giving way, and I apologise for the fact that I have to leave early to catch the plane.

My hon. Friend mentioned the Government recommendations. Given our expectations of an equality Bill later this year, does he agree not only that the role of public bodies at present should most certainly be confirmed, but that if we can improve upon existing legislation in respect of public authorities, the Bill is a good opportunity to do so?

Mr. Dismore: I am grateful to my right hon. Friend. He has a good and strong record in standing up for people with disabilities. I look forward to more detailed comments from him when we debate that Bill. I assure him that my Committee will take a close interest in the measure, both generally and from the perspective of this debate.

The Committee was gravely concerned about the wealth of evidence that we received about degrading experiences in health and residential care settings. We heard of a teenage student at a Scope residential school who was in hospital for three days. He was given no food; the hospital staff said that they "didn't know how to feed him". We were told of a person with Down's syndrome being locked in a minibus in a garage overnight; on another occasion, the carers broke his foot when forcing him back on to the bus in which he had been locked.

We also heard of a lack of dignity and privacy. One person said, "Although I was given a key to the front door, there was no key to my own room", and "When I clean my room, they do it again". Someone with visual impairment and scoliosis who could not help bumping into things was strapped into a wheelchair. The Sutton and Merton inquiry into physical and sexual abuse found that the staff did not know that they were doing anything wrong. That is all compounded by the fear that people have of complaining. They think that they will get the blame, and they face negative and patronising attitudes, and often blatant discrimination.

We welcome the Government's commitment to using the NHS operating framework to require health authorities and trusts to draw up action plans to deal with shortcomings in the care of adults with learning disabilities identified by the Healthcare Commission. Will the Minister update us on progress with that initiative? How can he ensure that the work leads to real improvements and not just more bureaucracy? We took a keen interest in the pilot programme run by five NHS trusts. Supported by the British Institute of Human Rights, they have adopted a human-rights approach to their work. The recent evaluation of the pilots was positive, and referred to improved practices and outcomes. We would like that initiative to be rolled out nationwide. Will the Minister tell us what is happening to spread that good practice, and will the initiative be rolled out countrywide?

We welcome the establishment of a human rights advisory group in the Department of Health. Will that group seek to champion human rights in social care settings as well as in the NHS? Will it work alongside the Care Quality Commission on that matter? The Committee recommended that people working with vulnerable adults should be under a duty to report suspected abuse. The Government agreed to consider whether new legislation would be practicable and useful, and are now encouraging a debate on the question. Again, I press the Minister to look at carefully at this. Our clear view is that new legislation is necessary to help identify and prevent abuse.

Adults with learning disabilities are particularly vulnerable to crime; they are also vulnerable within the criminal justice system. They are particularly vulnerable because of their lack of knowledge of their rights and because of their low expectations. That often leads to the acceptance of ill treatment without comment or complaint. They do not always realise that they are the victims of crime or that they are being treated as such by the authorities. They are vulnerable as a result of social marginalisation, living in a segregated environment and depending on others who may be the abusers; and they are susceptible to manipulation and exploitation as a result of communication difficulties.

It is hard to believe that some evil and ignorant people can target those with learning disabilities. It is hate crime, and it should be seen as such and heavily punished. I shall give some examples. Steven Hoskin was tortured and thrown off a viaduct. Kevin Davies was locked in a shed and tortured. Raymond Atherton was beaten and thrown in a river. Brent Martin was beaten and left to die in the street. The Equality and Human Rights Commission has researched the experience of those with learning difficulties as targets of violence and abuse; I understand that it will publish its findings in late April.

The scope of the problem is underestimated. "Valuing People Now" talks of better guidance and reporting arrangements. Will the Minister consider publicity to highlight the issue and to get the message across that abuse of people with learning disabilities is not abuse, but potentially criminal assault?

The Committee was also concerned to hear that adults with learning disabilities—whether accused of crimes, or as victims or witnesses—are not well served by the criminal justice system. We received a considerable body of evidence suggesting that not enough is done to explain what is happening when dealing with the police, and in court. We were told that when people with learning difficulties report crimes, they may not be taken seriously. The police do not consider the special measures already available to them to help people give evidence.

[Mr. Dismore]

The Government told us that the Crown Prosecution Service was working on policy and practice for victims and witnesses with learning disabilities, but what is being done to assist those who have been charged with crimes? We were told of someone who was arrested for breach of bail conditions by going somewhere he should not have gone. He said: "If they'd explained things, I'd have been able to do what they said." Another signed a statement, although he could not read it. We heard of people being interviewed without an appropriate adult being present.

We also heard of the pretty sorry state in the prison service—a lack of support, gaps in provision and the unreliability of screening in identifying learning disability. Prisoners were sometimes excluded from offender behaviour programmes because they could not do them, thus reducing the opportunity for resettlement, and ultimately meaning spending longer in prison because parole or early release was not available without doing the course.

Mr. Oliver Letwin (West Dorset) (Con): At a certain point in my life, I spent a lot of time in prison—prisons, I should say. I was enormously struck by the proportion of prisoners I met who had learning disabilities; and I was struck by exactly what the hon. Gentleman remarks upon—the inability of the prison system to deal with that phenomenon. I was particularly interested in those parts of his report in which he deals with that problem. Does he believe that we need a complete change in attitude inside the Prison Service, making that one of its priorities?

Mr. Dismore: The right hon. Gentleman is absolutely right. There are many people in prison with learning difficulties who, frankly, should not be there and who cannot cope. I can do no more than refer to the recent report from the Prison Reform Trust, entitled, "No One Knows: Prisoners' Voices", which supports in much greater detail the findings of my Committee. The Committee might want to return to that issue in the future.

Perhaps the Minister can reassure us that the police, judiciary, Courts Service, prisons and other criminal justice agencies are addressing the problem. Intermediaries can help to explain questions and proceedings in court to people with learning disabilities. However, funding has been devolved to primary care trusts, which could lead to a postcode lottery. Can the Minister comment on the role of intermediaries and ensure consistent provision for this service nationwide? Underpinning many of our concerns is a lack of awareness among public sector staff not just about how to respect the rights of adults with learning disabilities, but that those rights even exist in the first place. The Government told us that this issue was being addressed through the undergraduate and postgraduate curricula for professional, regulatory and educational bodies. We welcome this, but what is being done about existing staff?

A constituent of mine, Anil Ramani, who is a resident in supported living accommodation, went on a day trip from his day centre in Edgware, known as "the Space", to Aldenham country park. The carers did not count people on the bus, even though there were three members of staff for just nine service users. They left him behind, without even noticing that he was missing until two hours later. He was not found until 11.30 am the following day. He had spent the whole night in the park on a bench. I am told by Barnet social services that lessons have been learned and procedures changed, but after union representations the staff concerned did not lose their jobs, which I find remarkable.

The problem affects more than just the public sector, however. Last year, a small group of people with learning disabilities and their support workers went to a karaoke night at "The Bull and Butcher" pub in my borough. The manager was hostile, made it clear that he did not want them there and harassed them until they left in distress. An appalling case of discrimination in the private sector!

The provision of information in appropriate formats for adults with learning disabilities is crucial. We were struck by the lack of easy-to-understand, illustrated information—council forms and leaflets are not much help or use to people who cannot read. People with learning disabilities should be involved in advising on how to produce better, accessible information. We expressed concern at the absence of a cross-Government strategy to provide accessible information, and we were not reassured by the Government response, which dwelt on resource constraints and the need for individual Departments to comply with the Disability Discrimination Act 2005.

A far more proactive approach is needed to help public bodies meet the information needs of all the people they serve. The commitments in "Valuing People Now", such as to consider how to promote locally accessible information for people with learning disabilities, focusing on the NHS, are far too weak. I hope that the Minister will look again at this matter, therefore. Is there scope for the Equality and Human Rights Commission to help with information provision on the most important public services? It has already produced an easy-read version of a guide to the Human Rights Act 1998, and I understand that it intends to produce one on the disability equality duty.

Access to independent advocacy may well be the only way that many people with learning disabilities can secure their human rights. That is particularly true of parents, those with complex and profound needs, and those involved in the criminal justice system. Self-advocacy groups are also extremely important. We called for a review of the availability of independent advocacy, but the Government did not respond to this recommendation. "Valuing People Now" talks about improving the impact of advocacy, but not about making advocacy more widely available. I hope that the Minister can reassure us, therefore, that advocacy will not be a Cinderella service, neglected by central Government and inconsistently funded by local authorities, but can be seen as part of mainstream support for people with learning disabilities.

Mr. Drew: Friends of mine are trying to set up such an independent group, and the biggest problem is the lack of an obvious route for grant finance. The difficulty with seeking local authority finance only is that people will not be entirely independent of that local authority. That could create problems if they have issues that they wish to raise with the authority. I know that promises have been made, but they urgently need to be translated into action.

Mr. Dismore: I agree with my hon. Friend. Many advocacy groups are dependent on charitable funds and live a pretty hand-to-mouth existence.

The then national co-director for learning disabilities, Rob Grieg, was extremely candid in his oral evidence to the Committee about the difficulties of ensuring that policies for adults with learning disabilities are implemented, even within the Department of Health itself. There is a lot to welcome in "Valuing People Now", but the key test is whether it makes a difference to the lives of the people whom it is meant to help. I hope that the Minister will champion "Valuing People Now" across Whitehall and to front-line staff delivering services throughout the country. He needs to show real leadership to turn the document's policy commitments into real, tangible, measurable outcomes for adults with learning disabilities.

One of our criticisms of the original valuing people strategy was that it lacked measurable targets. "Valuing People Now" is an improvement, but it is still not clear how the activities set out in the delivery plan will be measured against the strategic objectives. For example, the office of the national director for learning disabilities is expected to work with other agencies to take forward a programme of work and to consider how mainstream housing policies can be made more inclusive by 2012. However, what will be the practical outcome of this work, and how do we expect housing provision to have been changed by 2012 as a result?

I mentioned earlier the UN disability rights convention, which consolidates and clarifies existing rights from a number of other international treaties into one document, and sends a powerful signal that the rights of disabled people matter. The Government signed the convention at the first opportunity and are now working towards ratification by Easter. Given that the initial target of ratification by the end of 2008 was missed, can the Minister confirm that the Easter target will be achieved? I received a letter from the Department on 3 March, with the explanatory memorandum for ratification, which has now been laid before Parliament, but I hope that we can have some more concrete assurances.

We recommended that the Government should sign the optional protocol to the convention, which will allow for a right of individual petition, and I congratulate the Minister on accepting this recommendation and signing it. I hope that the Government can now sign the various other optional protocols that allow for individual petitions to other conventions—our country has nothing to fear by doing so. We expressed concern at the delay in ratifying the convention, which at the time of our report the Government failed to explain, but it has since become apparent that various reservations are being proposed. We published a further report on that in January, because we are not convinced that any reservations are needed, and we were critical of the lack of transparency in the process. The number of reservations and interpretive declarations has now reduced, but we are still not satisfied that the remainder are necessary.

Some of the issues that we are debating today will be relevant to the Equality Bill—as pointed out by my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke)—which the Government have promised to introduce during the current Session. For example, we expressed concern that public bodies are not taking a positive approach to the disability equality duty. That mirrors our finding in this and other contexts that public bodies do not consistently promote human rights and do not fully understand their positive obligations under the Human Rights Act. My Committee will closely scrutinise the Equality Bill during its passage through Parliament. Can the Minister confirm that it will be introduced immediately before Easter?

Mr. Andrew Pelling (Croydon, Central) (Ind): I begin with two apologies: first, I have an appointment in my constituency so I cannot stay until the end of the debate; secondly, I shall touch briefly on the issue of employment, and if the hon. Gentleman was coming to that, I apologise for pre-empting him. Does he feel that, in some ways, the Government's promoting employment in the public sector for people with learning disabilities might be a way forward? Perhaps we could do that in the House. Benefiting from the advocacy of Mencap, I had the opportunity to employ someone with learning disabilities. It strikes me that that might be a way forward for other hon. Members. They could promote that positive approach on an occasional basis.

Mr. Dismore: That is a very worthwhile suggestion. As I said earlier, with the appropriate support people with learning disabilities are reliable and motivated employees. They simply are not given the opportunities that they should be, because of society's generally low expectations of them. If they are given the chance, they will perform, as we saw on a number of our visits when we prepared the evidence for our inquiry.

The hon. Gentleman is right about Parliament. We have made a number of recommendations about how public bodies serve adults with learning disabilities, but how well does Parliament itself serve that group? We worked hard to engage adults with learning disabilities during our inquiry, but there is a lot more that we could do. For example, my Committee staff will prepare a summary of our debate today for publication in an easy-read version—*Hansard* is inaccessible to many people with learning disabilities. I have met the Commons outreach team and following on from that, I have written to the parliamentary authorities to raise the issue of accessibility. We will continue to press for that to be addressed. Indeed, I raised the matter during questions to the Leader of the House today when I asked about the importance of making such facilities available. I got—I think—a relatively positive response. I was told that the issue would be looked into. It is just not acceptable that adults with learning disabilities cannot access parliamentary material and services of relevance and interest to them.

In conclusion, our inquiry covered a wide range of issues in which the human rights of adults with learning disabilities were being routinely and deliberately ignored or casually overlooked. Such behaviour was found to be the main cause of the institutional abuse uncovered in Cornwall and Sutton, and by Mencap in its report. The Government are moving in the right direction, and I congratulate the Minister on publishing "Valuing People Now". None the less, we need strong leadership. The Minister's heart—and that of his predecessor—is in the right place. Moreover, the policies are right, too. The problem is the gap between such policies and the everyday experience of people with learning disabilities. There has been a lack of effective monitoring and we must plug that gap. We need a national culture change to recognise that people with learning disabilities have

[Mr. Dismore]

the same rights as everyone else. It is not just a question of being nice to "unfortunate people". We must recognise their rights as equal citizens, and empower them by involving them in the development of policy and in the taking of decisions over their own lives. There is a very long journey ahead before the human rights of adults with learning disabilities are fully respected in the UK, and my Committee will continue to press the Government to do more.

3 pm

James Duddridge (Rochford and Southend, East) (Con): I congratulate the Committee and the joint Chair on the excellent work that they have done on this important subject. I welcome the opportunity to talk about adults with learning disabilities and, by extension, the rights of their families. Too many people with learning disabilities are not being respected, and that is demonstrated by recent examples in the health sector.

It gives me no pleasure to have to highlight a case that was brought to me by the mother and sister of Martin Ryan, whose avoidable death was highlighted by the excellent Mencap report "Death by Indifference", which was published in 2007. Throughout his life, Martin suffered from severe learning disabilities, Down's syndrome, epilepsy and he had no power of speech. The health service ombudsman, Ann Abraham, carried out an investigation into Martin's death. I understand that, when that report is published later this month, it will highlight that the death of Martin Ryan was avoidable.

I have met my constituents a number of times to discuss the treatment that Martin received after having a stroke and being admitted to Kingston hospital in 2005. I believe that Martin's case demonstrates how adults with learning disabilities are often not granted the full rights that they deserve when receiving medical attention. I apologise to the Committee for going through the details, but it is important to do so.

Martin's case is an extremely distressing one. He was admitted to Kingston hospital after suffering from a stroke. As a result of the stroke, Martin was unable to swallow, which often happens with stroke victims, and could not consume food or drink. Martin was put on a drip, but was unable to extract adequate nutrition from it. During the second week in hospital, Martin's veins collapsed, and feeding by a drip was no longer possible.

After Martin had gone without adequate nutrition for 21 days, doctors decided to put a feeding tube directly into his stomach. Sadly, Martin was not strong enough to undergo the operation. Five days later, he died in hospital after 26 days without food or nutrition.

Martin's case has received a great deal of national press coverage in recent months. The coverage highlighted his care and the possible findings of the ombudsman's report. I have considered the ombudsman's report in detail with Martin's mother and sister. The report will outline a combination of different failures that led to Martin's death. It is also likely to find that Martin was put at risk because specialist stroke services were not provided for him and that numerous communication failures within the team resulted in him receiving inadequate care. Moreover, Martin's sister, Ann Ryan, has told me that the ombudsman's report will find that there were a number of service failures in the treatment and care provided by Kingston hospital. Shockingly, the ombudsman will find that the failures occurred primarily because Martin had a learning disability.

The omissions and failures of Kingston hospital and of the individual staff members who cared for Martin constitute a failure to live up to the principles of dignity, equity and autonomy for all individuals that are discussed in the report. The circumstances in which Martin Ryan died are alarming. It is clear that, owing to a catalogue of errors, his life was put at risk and that he died as a result of inappropriate care.

The ombudsman's report will find that Martin's death was avoidable and that a number of service failures by staff at Kingston hospital led to his death. Yet despite that, I am concerned that there has been no effort that I am aware of on the part of the ombudsman to hold to account the individuals responsible for Martin's death. Although the chief executive of the hospital gave assurances that the medical professionals involved would be disciplined for their actions, no evidence of that has been brought forward, nor has the Ryan family received any dialogue in relation to that. Such a failure in communications following a tragic death is wholly unacceptable.

Martin's mother and sister believe that the consultant, the matron and the ward sister at the hospital were responsible for the service failures that led to Martin not receiving adequate nutrition and for his subsequent death. They believe that the individuals should be named, brought to account and disciplined. Such a call is all the more necessary due to the fact that the service failures occurred because Martin had a disability. The family are not seeking revenge, but they want to ensure that those individuals are held to account. They do not want them to make the same mistakes again.

Naming the individuals in the ombudsman's report—I ask the Minister to speak to the ombudsman about this—will send a strong message to professionals that they will be held accountable for their actions towards people with learning disabilities. If the ombudsman's report does not name the medical professionals, I will name them in the House of Commons. Bringing such individuals to account is the right thing to do. As the report notes, it is essential to give people dignity and to treat them as individuals.

Finally, I hope that the Minister can exercise influence over this long-standing case—Martin passed away in 2005, and the "Death by Indifference" report was published in 2007. Naming the individuals would give closure to the Ryan family, and it would be in the public interest.

3.7 pm

Dr. Stephen Ladyman (South Thanet) (Lab): The hon. Member for Rochford and Southend, East (James Duddridge) has given us a horrifying example of what can happen when people do not fulfil their duties and do not honour their obligations to the patients under their care. Such patients have the same human rights as everyone else. My hon. Friend the Member for Hendon (Mr. Dismore) mentioned that some people do not recognise that. It is absolutely and explicitly accepted by the House that every human being has the same human rights and should have the same opportunities to exercise those rights. I welcome the fact that we are having this debate and that this report has been produced to provide some focus on the needs of people with learning disabilities. I congratulate my hon. Friend and the Committee on their work.

Let me start with a little discourse about the human rights approach, which is very helpful in this instance, but it is not the only way to look at learning disabilities. I will probably get into trouble for suggesting that the human rights approach cannot be adapted to be comprehensive in its assessment of the issue. As I was telling my hon. Friend before the debate started, human rights lawyer Sonya Sceats, who was one of his witnesses—she is also the long-term partner of my stepson—is convinced that the human rights approach is a way of addressing many issues. Although it is a very good approach, there are complex ethical and practical issues about the way in which we address the needs of people with learning disabilities that require us to go beyond the human rights approach.

I was trying to think last night how I could express that. I was trying to unravel the earplugs from my iPod. I do not know whether other hon. Members have this problem, but however carefully I roll up my earplugs when I put them away, they are always tangled in a knot when I unwrap them, and it takes ages to get them undone. Imagine how much more difficult it would be if I had 20 sets of earplugs in a box and they were all tangled together. I would have to unravel them one by one and then find one with the right plug before I listened to my iPod.

The complex ethical issues that we are discussing are a bit like that. If we unravel just one strand of complexity by looking at someone's human rights, we do not necessarily see the whole picture. With people who have learning disabilities, we have to look at not only the human rights issues, but the practical issues, the risks, the financial issues and the family issues. Sometimes, when we unravel those strands, they point us in different directions and lead us to different strategies and possibly to different answers to the same question.

Perhaps I can give hon. Members an example of what I am talking about. One issue that the report identifies is relationships between people with learning disabilities. One of the most fundamental human rights is that people should be able to determine for themselves what relationships they become involved in, and people with learning disabilities have exactly the same right to have sexual relationships as anyone else. However, when we face such issues and the situations that arise when people with learning disabilities have relationships, we have to ask a whole range of questions. Are the people involved in the relationship able to give informed consent? Do they have the ability to make contraceptive choices? If a woman with a learning disability becomes pregnant, that raises incredibly complex issues about parenting.

When a person with learning disabilities is in their parents' care, it can be incredibly difficult to get the parents to accept that their child is as entitled to a sexual relationship as anyone else. My daughter does not have a learning disability, but I find it pretty difficult to accept that she has boyfriends. Imagine how much more difficult that would be to accept if she was a vulnerable child or a child with a disability. Sometimes parents end up having recourse to the courts, and attempts are made to get sterilisation orders or orders to restrict people's ability to have relationships.

When somebody is in the care of a local council, the situation can be even more complex. When some councils have realised that people with learning disabilities in their care are going to have relationships, they have done what they regard as the right thing, and it probably is the right thing: they have done risk-management assessments, bringing in psychologists to gauge the individual's ability to give informed consent and educationists to discuss contraception. However, in doing that, and in taking that caring attitude towards the person with learning disabilities, have those councils restricted that individual's human rights?

Let us face it, some Members of Parliament make unfortunate sexual choices, and no one does a risk assessment on us before we get involved in relationships. Perhaps there are one or two examples where people should have done a risk assessment, but it does not happen. We are allowed to engage in relationships at our will, whether they are harmful or not, and no one ever questions our absolute right to do that. Are we therefore breaching people's human rights by doing a risk assessment and bringing in all the resources that I mentioned?

I do not have the answer to those complex ethical questions. However, I do know that people with a learning disability—complex or moderate—are as entitled to a fulfilled life as anybody else. We have to find a way of navigating through this moral maze. If we can unravel one of the strands by looking at the human rights issues and implications, that is good, but, as I said, many more strands need to be unravelled.

Another example of the complexities that sometimes overcome us is the closure of long-stay hospitals. If there was ever an example of people with learning disabilities having their human rights infringed, it is the fact many people with learning disabilities were effectively locked away in long-stay hospitals over many years. The Government had a commitment to close all those hospitals, and we often criticised Ministers because it was taking so long to do so.

To some extent, that was the fault of local health services, which were not addressing the issue quickly enough. However, it was often also down to the parents and friends of the person with the learning disability. They believed that that person was secure in the hospital environment, and they did not accept the possibility that he or she could have any sort of independent life. The move away from long-stay hospitals was a bit like the move into care in the community, and it had the same sort of reputation. People therefore asked whether those with learning disabilities would get the resources and the support that they needed in the community.

Often, therefore, the barrier to helping people to create an independent life was the people who most loved and cared for them and who wanted the best for them, rather than the Government or the local health services. Who is to say that those people were wrong in that assessment?

Sir Nicholas Winterton (Macclesfield) (Con): I am following the hon. Gentleman's remarks carefully. He is dealing with extremely sensitive issues, and I respect very much the way in which he has put his case. However, I hope that he has had time to read a Select Committee report of some years ago, which dealt with adult mental and physical handicap and looked at the closure of long-stay hospitals. I was a member of that Committee, and we visited many people who had been discharged into the community. The hon. Gentleman might be surprised to hear that quite a number of them complained

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that they had not been consulted before they were discharged. One man in Norwich, who was quite elderly, said that he had never been so lonely in his life and that he wished that he had never been discharged. Should we not provide facilities for all, whatever their needs, rather than saying that long-stay hospitals are no good and that everyone should be in the community? Is it not right that those people should be consulted?

Dr. Ladyman: The hon. Gentleman is absolutely right, and he is making the point for me somewhat better than I was making it myself. What I am saying is that, if we take a human rights approach and assume that all long-stay hospitals must be closed, we perhaps overlook the fact that some people feel very comfortable in that environment and object to our taking such a paternalistic attitude. It will take a lot of work to convince them that it is necessary to close all the long-stay hospitals, if that is what we are going to do.

I have a good example of that. I am one of the Minister's predecessors. I was a great campaigner for the view that older people did not want to be in care homes, and I never met an older person who wanted to be in one until I went to a fabulous new facility in extra-care accommodation—as the Minister knows, I am also a big campaigner for extra-care accommodation. The people there all had their own flats, but there were also some communal facilities, and I was going around everyone with my preconception that they were all happy to be in independent living accommodation. Indeed, they all told me how great it was—except for one man, who was sitting in the corner, so I sat down and chatted to him. I asked, "Do you enjoy it here?" He said, "No," and I asked him why not. He said, "I'm lonely," so I asked why. He said, "I made some mistakes in my life and I spent a large part of my time in prison. I'm not comfortable living independently any more. I want to be in an environment where I don't have independence." So it struck home to me that we must start not with our own ethical standpoint but by asking individuals how best to organise their lives. That is how we get closest to respecting their human rights—by giving them the dignity that they get from being properly consulted in that decision.

Mr. Stephen O'Brien (Eddisbury) (Con): I was not going to intervene, but I was not planning to raise this matter when I make a speech. I do not know whether the hon. Gentleman has had the opportunity to ask the Chairman of the Committee whether during the inquiry he contemplated investigating the interrelationship between choice and rights. The hon. Gentleman ably highlighted the difficulty: does having a right necessarily invoke a choice? At what point is it appropriate for the risk and opportunity to be transferred from an individual, in the relevant circumstances, to something that the state must make available and provide through society's methods? If the hon. Gentleman has not had the opportunity to discuss the matter with his hon. Friend, perhaps he would join me in urging him to investigate that as a supplementary inquiry to the original one.

Dr. Ladyman: The hon. Gentleman is right; that would make an excellent inquiry for the Committee in future. His intervention brings me nicely to my next point: if I had a criticism of the report—which is excellent, and provides an excellent basis for debate of the issues—it would be that I am not sure the complexities of the debate, in relation to allowing people to express their choice, have been entirely understood. I do not think that the report necessarily gives the Government enough credit, either, for the way in which they have pushed the agenda forward. We can all say that things should have happened more quickly, and that the Government should have done things more forcefully, but we all make mistakes. Perhaps I may tease my hon. Friend the Member for Hendon: his Committee produced an easy-read version of the report; he received witness evidence that the easy-read version should be printed on yellow paper—but it is printed on white paper. Perhaps there were complex publishing reasons for that, but the fact is it should have been on yellow paper.

Mr. Dismore: I am speaking from memory, because I do not have a copy of the first print with me, but I think that that was on yellow paper. If someone has downloaded it, it was probably on white paper; it depends on what paper is put in the printer. I am pretty sure the original version was on yellow. We also produced it in DVD format, so people could do what they liked with it.

Dr. Ladyman: Perhaps that was the case, and it was originally on yellow paper. If so, the Government's response would not work, because they published their responses on yellow and the Committee's questions on white, so the differentiation between the two does not work.

A more serious point is that the Committee published the report in easy-read format, but my hon. Friend and his Committee have published many other reports of interest to people with learning disabilities, and this is the only one that I have seen in easy-read format. Thankfully, people with learning disabilities are now living to a grand old age, and are interested in the issues of aging, on which my hon. Friend's Committee has produced a report which, however, is not in easy-read format. They live in the same world as the rest of us, and are subject to terrorism, but the Committee's reports on the subject are not in easy-read format.

Mr. Dismore: The short answer is that we do not have the money in the Select Committee budget to do that. That is exactly the point that I raised in a question to the Leader of the House today: we should be doing more of that in relation to everything that is of relevance to people with learning disabilities. I also made one or two points about other disability issues, such as the need for sign language interpreters for people who are hard of hearing. My hon. Friend is making a valid point, and if we had the money we would do what he suggests.

Dr. Ladyman: That is exactly the point that I was making. I have criticisms to make of the Government as well, because when I was a Minister, I made an announcement that Government documents would all be produced in easy-read format. Very quickly, and without anyone saying so, things changed so that health documents would be produced in easy-read format; and then it was health documents pertaining to learning disabilities. The very least that we should aspire to, in my view, is that every Green Paper and White Paper should be produced in easy-read format. That is the

least that people with a learning disability are entitled to expect. One of their fundamental rights is to be able to be involved in the democratic process with the rest of us.

I am, however, quibbling with my hon. Friend the Member for Hendon, because the report is excellent. Nevertheless, we need to recognise the practicalities of addressing some of the issues raised in it. I am four-square behind my hon. Friend, for example, in recognising the fact people with learning disabilities do not have the access to health care that they should. We have tried to ensure that people with a learning disability are entitled to an annual health check. Quite often they do not report their health problems or seek access to their GP or health services. If we could be more proactive about spotting their health problems we could deal with that. One difficulty—which goes back to the point made by the hon. Member for Eddisbury (Mr. O'Brien)—is that many people with learning disabilities do not want to be recognised in their doctor's records as having a learning disability; so how is the poor old doctor meant to contact them once a year to invite them to their annual health check? There are complex issues involved in dealing with that, and a measure of positive discrimination is required to get people with learning disabilities into their GPs' surgeries.

Another matter about which I am passionate is independent living and the efforts we need to make to get as many people as we can into independent living. I am an adviser to the Learning Disability Coalition, as is the hon. Member for Buckingham (John Bercow), who is engaged elsewhere in the House this afternoon; otherwise he would have attended this debate. The coalition is a group of campaigning organisations trying to make sure that we put the right resources and support behind learning-disabled people, and I brought a delegation to meet the Minister earlier this week. In the delegation was a young lady called Victoria Willson. She is 38 years old, and was there with her mum, Jean Willson. Victoria has complex multiple disabilities; she is severely learning disabled, and needs 24-hour care, seven days a week. For a big chunk of the day, she needs two people to support her, to keep her safe. The rest of the time, she needs one person. Even at night, when she is asleep, she shares a carer with another disabled person, who lives in the same place as her. It is a complex level of support.

Victoria is a trailblazer for independent living for people with a learning disability, because her mum and family put the package of care together before it became part of the Government's agenda, and had to fight to get it in place. They shared with us the cost of providing support at that level. It costs £3,463.17 a week. Social services pay 42 per cent. of that, the health service pays 37 per cent., the independent living fund pays 20 per cent. and Victoria herself contributes 1 per cent. from her resources and benefits. It is very expensive, but it means that effectively she is living independently. If her parents passed away she could continue the life that she lives. She has, at the age of 38, been living successfully in that environment for a long time.

When I was a Health Minister, I visited Wigan, which has a great record on promoting independent living, where I met a gentleman with complex learning disabilities who was living in residential care. To help him express his needs, the people working with him helped him to produce a life map—a pictorial map of how he saw himself and the world around him, and what he wanted his world to be in future. What did he identify in his life map? A little flat that he could live in by himself, and a girlfriend. Those were the things he wanted in his life. They set about using a personal budget to help him to achieve those things, and he now lives in the flat. I do not know whether he managed to get the girlfriend—that is not within the remit of the local social services—but he is now living an independent life. If people whose needs are that complex can live independent lives with the right levels of support, anyone can. Having said that, the barriers to living such independent lives are often the people who love the individual most—parents who do not think their children can be safe living independent lives. A huge effort is needed to make those things happen.

Sir Nicholas Winterton: The hon. Gentleman is speaking with great sensitivity and, in many ways, nobody can disagree with him, but I am going to ask him the hard question. He just mentioned the amount that one individual lady cost in a week, of which she paid only 1 per cent. through, I suppose, some form of benefit. Where will the money come from to provide the quality of individual care that enables people to live independent lives, bearing in mind the massive cost and the huge pressure on social services departments and others that provide assistance for people with learning difficulties? I share many of his aspirations, but we have to come down to earth. Where will the money come from to make those facilities available?

Dr. Ladyman: The hon. Gentleman has cut to the heart of the matter, but I hope he will forgive me for not responding directly to his question. I intend answer it later in my remarks.

Access to jobs and work is often unfairly denied to people with learning disabilities. The point was made earlier that we could do more to help in Parliament, and we could certainly do more in government. When I was Minister, I asked the Department of Health to review the options for employing people with learning disabilities, and it identified a couple of posts. My hon. Friend the Minister might like to check whether learning disabled people still hold those posts. We need to be positive. Learning disabled people are also denied access to educational opportunities.

A very important section of the report is about the court services and law and order. Hon. Members will know that I have campaigned for a long time on behalf of autistic people, who suffer very badly when it comes to legal services. Policemen often do not recognise the needs of autistic people or people with learning disabilities, and the courts often are not geared up to help them. I recommend that my hon. Friend the Member for Hendon examines the Maryland curriculum from the United States. The state governor had an autistic grandson who got into some trouble with the law and realised that the police in the state did not have the necessary experience and training. He insisted that they went through a new training programme—the Maryland curriculum—and all law officers in the state are thoroughly trained to recognise the needs of autistic people. The curriculum would have to be adapted for use in this country, but as well as being adapted to help law officers when they deal with autistic people, it could be used to train them to recognise the needs of people with learning disabilities. I encourage my hon. Friend to look at whether the curriculum can be used.

James Duddridge: The hon. Gentleman mentioned autism. The Autism Bill, which the House agreed to send to Public Bill Committee last Friday, will give a statutory responsibility to local councils to make an assessment of the number of people with autism in their area and provide services within their community. Is there a broader need to assess the number of people with learning disabilities within an area? I am a trustee of an organisation that tries to engage people with learning disabilities. Even with all the stakeholders contributing information, it is difficult to connect with that broad community. My gut feeling is that local authorities do not know how many learning disabled people there are in their area.

Dr. Ladyman: The hon. Gentleman is absolutely right. Modesty forbids me from encouraging him to read my speech in last Friday's debate on the Autism Bill, but that is why I suggested the Bill ought not to pass into law. In a way, it would discriminate against other people with disabilities, whose needs we do not understand either. We need to find out how many people there are with a range of disabilities and start providing the resources for them. That is a campaigning theme of the Learning Disability Coalition, which I advise. It is desperately keen for proper surveys of the number of people with learning disabilities and the complexity of their needs. It is trying to raise funds for an academic study, and perhaps my hon. Friend could put his hand in his ministerial pocket and help. Certainly, we need such a survey if we are to resource provisions properly.

Mr. Dismore: I am grateful to my hon. Friend for referring to the debate on the Autism Bill last Friday. I did not manage to make my speech—I hasten to add that I intended to speak only for 10 or 15 minutes. The Bill has a human rights context and a lot of the issues that it seeks to address are similar to those we found in the inquiry. That point was not made in last Friday's debate, but I have been able to make it much more briefly now.

Dr. Ladyman: My hon. Friend is absolutely right that the Bill and the report have many things in common.

Mr. Letwin: Before the hon. Gentleman moves on, I want to press him on a question that relates to what my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) said a moment or two ago. The hon. Gentleman is talking about interaction with the criminal justice system. Does he agree that, in some cases, making reasonable adjustments might actually lead to vast savings of public expenditure? That contrasts sharply with the situation that he and my hon. Friend were discussing, in which reasonable adjustments involve vast expenditure to support people in independent living. If we were to start with the cases in which there would be vast savings, we could use them to support cases in which there would be greater expenses.

Dr. Ladyman: The right hon. Gentleman is absolutely right, and the prison service, which he mentioned earlier, is a good example. If we did not put people with learning disabilities, autism or Asperger's syndrome in prison, where they ought not to be, we would free up a lot more prison space for people who ought to be there. People with learning disabilities and autism spend far too long in prison, because they do not understand how to play the parole system. When the parole board asks them whether they would do the same thing in the same circumstances, they often answer honestly, and say that they might do the same thing again, instead of saying, "No Guv, I've learnt my lesson. I'm going to go out of here and wipe my slate clean." They do not know how to play the game, and so spend too long in prison. There are big savings to be made on prisons, and if we could be more proactive about looking after the health of people with learning disabilities, the NHS would save a lot of money.

To address the question about resources asked by the hon. Member for Macclesfield (Sir Nicholas Winterton), one quickly comes to realise that, in many cases, the cost of keeping a person living independently is not much different from the cost of keeping them in residential care. It is true that the young lady I mentioned has a very expensive package of support, but we must compare that with the substantial costs of the package of support if she lived in some form of residential care. She would still need the same level of intensive of care, so we must consider the difference between the two.

My hon. Friend the Minister is busy trying to write the new Green Paper on adult social care, and I made that point when I went to see him yesterday. The only bit of funding to local councils that is not ring-fenced and that councils can spend on anything they want is money for adult social care. It used to be money for social care in general, but when we created directors of children's services, we put the money for children's social care with the money for children's schooling and ring-fenced it. If the council wants to cut council tax or spend money on a pet project, the only budget that it can raid for money is the adult social care budget. That is why access rules were tightened, so that fewer people could access the budget, and that is why older people in our constituencies often find it difficult to access the care services that they need.

The adult social care Green Paper must address the issue of how to get the right amount of money into the adult social care regime. I will not make a political point, because the hon. Member for Edinburgh, West (John Barrett), who speaks for the Liberal Democrats, is probably a fervent advocate of free social care for older people. Actually, no; the Liberal Democrats have decided that that is a bad policy now, so in Scotland money for disabled children has had to be raided to keep the fund going.

What we need is a proper debate about the costs of supporting people with care needs. We need to be open and honest about the fact that in future, older people will have to provide a bigger pot of support for themselves and their care needs in old age. Younger people with disabilities have had no opportunity to build up a pot of money to provide for their care needs. Younger adults with care needs and people with learning disabilities have no choice but to go to the state for the support that they need. We need to think more openly and honestly about how we can help older people tap into the equity in their properties to support themselves in their old age so that we can free up more resources to help people with disabilities in younger adulthood. It will be a difficult debate for us.

It will be difficult politically for all the parties to address that debate, and it will be difficult for society, but we must have it, and the start will be the adult social

care Green Paper that my hon. Friend the Minister is producing. He needs to be absolutely open and honest about the scale of the challenge that faces us if we are not only to help people with learning disabilities get access to the services that they need but to ensure that all people who need care services get access to care in future. There is a cost to be paid for that, and we must explain that to the people of this country. Having said that, I thank my hon. Friend the Member for Hendon for the report that has provided the basis for this debate, and I look forward to seeing what my hon. Friend the Minister produces in the adult social care Green Paper.

3.43 pm

Mr. Oliver Letwin (West Dorset) (Con): My contribution will be brief. This is an interesting and important debate, and I am delighted to follow the hon. Member for South Thanet (Dr. Ladyman), whose work on the issue is of long standing. This debate continues the dialogue that occurred during debate on the Autism Bill on Friday.

My first point is that if one steps back 100, 150 or 200 years, one finds a very different social attitude to such matters. Roughly speaking, that attitude was, "Devil take the hindmost". People who could get on did, and those who suffered from one kind of disability or another were simply left out. One thinks of madhouses and all the other ghastly things that went on. Gradually, over a long period, society has come to the view, which was very well expressed in the Disability Discrimination Acts, that the rest of us need to make a set of reasonable adjustments to allow for the conditions in which some people find themselves. The hon. Member for South Thanet, in his remarks and in his fascinating interchange with my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton), brings starkly to light the issues that we now face as the question arises of where reasonable adjustments start and end.

My second point, which helps us understand the answer to the first, is that if we are honest with ourselves, we will admit that it is a great deal easier to accept that people who suffer from straightforward physical disabilities should have adjustments made in their favour. It is simply a fact of being human that it is easier to grapple with physical disability than with mental disability of almost any kind.

A few years ago, quite a lot of people would have thought it an extraordinary proposition that people with public facilities would have to make adjustments for people with physical disabilities, but we are all completely used to it now. It is just part of the normal run of things. The report and this debate—as well as the Autism Bill, debate on the various other things that are going on—bring out the fact that we now need to make a further leap and get to the point where we recognise thoroughly that although they are more difficult to deal with emotionally, we must take mental disabilities of various kinds, including learning disabilities, as seriously, openly and comprehensively as we now take physical disabilities as a matter of course. That is a major leap forward for society that we have not yet made fully.

My third point is that part of the answer to the first conundrum lies in the recognition of the second point. If we recognise that people who suffer from learning disabilities, autism, Asperger's syndrome and other such conditions have as much right to have adjustments made in their favour as those who suffer from physical disabilities, we are bound to consider both the cases in which society will encounter costs by making those adjustments, as I mentioned in my earlier intervention, and the cases in which costs would be reduced.

It is a good indicator of how far we have yet to go before we fulfil the ambitions expressed in the report that the Government—this is not a partisan remark about this Government; it applies to all Governments in recent years—have not even got to the point of seriously examining what savings we could make. To return to my point about the criminal justice system, it is extraordinary what a high proportion of the total costs of the criminal justice system are incurred as a result of the mishandling of things done by people with learning disabilities.

That is not the only extraordinary thing. It is at least equally extraordinary that vast numbers of people who suffer from no learning disability—neither autism, Asperger's nor anything of the kind—but who are incapacitated to some degree by drug and alcohol dependencies engage the criminal justice system. It is extraordinary to what extent we do not try to address those issues in rehabilitation. We as a society incur shocking and unnecessary social and economic costs as a result.

Sir Nicholas Winterton: My right hon. Friend is absolutely right. It would be interesting if the Minister mentioned in his response the number of people sent to prison by magistrates and judges because there is no suitable non-prison accommodation to which they can be sent due to the crime that they have committed as a result of their learning disability or mental illness. To my mind, it is criminal, if I may use that phrase, that people who are mentally ill or have mental disabilities or learning difficulties end up in prison because society cannot properly deal with them outside prison. I hope that he will provide the number, which would add up to a very large figure indeed.

Mr. Letwin: My intuition is exactly the same as my hon. Friend's, but I am pretty sure that the Minister will not be able to answer his question today, although I would be delighted to be proved wrong about that. I have been inquiring about this for many years now, and nobody seems to know the answer. If one talks to people who can give good anecdotal estimates, such as magistrates and prison governors, one finds what anyone who spends time wandering around our prisons or youth offender institutions will find—that an enormously high proportion of people in our prisons fall into one or other of the categories that I have described.

Dr. Ladyman: I may be able to help the right hon. Gentleman, as I used to have ministerial responsibility for health in prisons. The accepted figure is that 60 per cent. of people in prisons are suffering from either neurosis, psychosis or personality disorder, or from alcohol or drug abuse. So, only 40 per cent. of prisoners do not fall into that category. The proportion of people in prison who have learning disabilities or autism is another matter, which I do not think anyone has ever got to the bottom of.

Mr. Letwin: That is indeed the accepted figure; I think it is wrong, but that is another issue. As the hon. Gentleman says, there is not even an estimate for the number of prisoners who suffer from learning disabilities

[Mr. Letwin]

and other permanent mental disabilities and there are good reasons for that, one of which is that no one in the Prison Service has the ability to find out, which is pretty extraordinary. In courts, there is typically no provision to enable the magistrate or judge to determine the extent to which something has happened because the person involved has a learning disability.

That brings me to my penultimate point. There is a principle in moral philosophy that is just about as old as moral philosophy itself—that "should" implies "can". One cannot reasonably demand that someone do something, on a moral basis, unless they have the ability to do it. That principle is entirely understood in discourse on moral philosophy, but it is almost entirely absent from people's understanding of society. If all we Members gathered here were to look at all the letters we have had from constituents complaining that people who are in a particular condition benefit from certain kinds of treatment that are not available to them, we would find it a prevalent phenomenon that they are actually complaining that someone who cannot do something is getting an advantage that is not open to them because they can do it, but are not doing it.

It is understandable that people who are struggling and not having a particularly easy life, and who find that all sorts of things are not available to them, should find it difficult to accept that other people will have advantages such as there being vast expenditure to enable them to engage in independent living. It is perfectly understandable that there should be those resentments in society, but the challenge is to get over the very first thing that I mentioned—society's great difficulty in grappling with the cases of people who suffer from mental, rather than physical, disabilities. We have to get to a point where society as a whole accepts that we are going to invest in people who cannot do certain things, and that we are going to make certain adaptations to enable them to live in a different way and to prevent them from getting into conditions that impose costs on society, such as crime. If we can get to that point, in the end, it can become something that is normal, accepted and probably self-financing.

My guess, although I cannot remotely prove this, is that if we got to a point at which everyone recognised the extent to which people's scope is restricted and changed by learning and other mental disabilities, as we are beginning to do with physical disability, we would find that the savings at least matched the costs, and we could have a better society that would not impose on others grounds for resentment. I very much hope, therefore, that this extremely important report will lead to responses, not just this year or next, as this will take time, and not just from this Government, or the Government of any one party, but from all of us over time. I also hope that it will lead to changes that will lock in the idea that society as a whole has not only a duty to accommodate, but an interest in accommodating, the needs of those who have learning disabilities.

3.55 pm

John Barrett (Edinburgh, West) (LD): Today's debate not only is on an important subject that requires parliamentary time, but is at the heart of what we in the House should constantly be pushing up the agenda. At a time when the economic downturn dominates the news and when tens of billions of pounds are being injected into a banking sector in which salaries and bonuses are paid in millions of pounds to some and six-figure pensions are paid to others, it is vital that we keep a focus on issues that, although they might not make the news headlines, are equally important in every way. To some people, these issues are the most important in their lives. People have struggled and campaigned for a long time for human rights and the individual's entitlement to freedom, respect, equality, dignity and autonomy in everyday life. In the 21st century, those things are long overdue for many.

This debate has been excellent so far, and the speeches and interventions from hon. Members on both sides of the Chamber have been interesting and have added to the debate. I congratulate the Chairman of the Joint Committee, the hon. Member for Hendon (Mr. Dismore) on its excellent report. It has been good to see what is in both the report and the Government's response. I found the comments of the hon. Member for South Thanet (Dr. Ladyman) very interesting, particularly about the rights and risks of adults with learning disabilities in forming relationships, because risk assessments are not taken for the rest of society at large, and it can be patronising to say that adults who have learning disabilities cannot make such decisions on their own. We all know that many people around the country cannot make decisions about relationships, contraception and other matters, but adults with learning disabilities are not always given the same rights and respect as other people or allowed to make the same mistakes.

We have heard the tragic case of the adult who was denied health care and about the end result. Other hon. Members will know of similar cases as, sadly, there have been too many of them, but I shall not go into that today. The interventions of the hon. Member for Macclesfield (Sir Nicholas Winterton) were also very interesting, because the cost implications and questions about where money will come from are often at the heart of many relevant issues. We spend tens of billions of pounds on the results of alcohol and drug misuse, such as crime and antisocial behaviour, which are not generally incurred by adults with learning disabilities.

One Friday evening in Edinburgh, I visited an accident and emergency unit where the vast majority of cases were self-inflicted, not by adults with learning disabilities, but by drunk people who had been attacking one another, some of whom then attacked doctors and nurses. We spend tens of million of pounds on such cases, sadly, but then we wonder where the money will come from to pay for services for some of the most deserving members of society.

In many respects, we have come far to get to where we are today. At his inauguration, Barack Obama spoke about how far things had advanced with race, from a time when his father would not have been served in a Washington restaurant 60 years ago, up to today and his election as the President of the United States of America. On women's rights, we have moved forward in the past 100 years, from women having no vote at the time of suffragettes, to women now having the vote and being able to play a full part in society. On religion, right-thinking people in Britain today would never discriminate on religious grounds. Sadly, that progress on race, gender and religion does not extend to disabilities in far too many walks of life.

Adults with learning disabilities have often had childhoods in which their human rights were not even on the agenda. Too many of them have grown up being ignored, bullied, excluded from school and patronised. Too many of them have been given second-rate health care and education, poor access to justice or information and much more. Where we are today is not a great success for all, and many people feel that we must right those wrongs. Hon. Members from all parties must work together to ensure that equality and human rights are accessible to all members of society.

Just how special many disabled children are was brought home to all hon. Members last week by the sad death of Ivan Cameron. From my experience with my little granddaughter, who suffers from cerebral palsy and the milder form of epilepsy, I know that, after a long struggle through childhood, she is likely to reach adulthood. When she does, I want to ensure that we can look back on the days when disabled people did not have the same human rights as everyone else and say, "Those days are long gone." She, and all children with learning and other disabilities, deserve no less in the future. The adults of today have already waited far too long.

Although much legislation is in place, a lot still needs to be done. Departments, local authorities, the NHS and many other bodies should be leading the charge to ensure that adults with learning disabilities live their lives in dignity. However, instead of leading that charge, far too many organisations are dragging their feet. Today's debate ought to be about the way in which we can move forward towards genuine equality for all those with learning disabilities. We should consider how we can improve access to services, secure equal access to health care and education and end the marginalisation that too often accompanies a learning disability.

I welcome the excellent report that we are discussing and the two Government responses. As hon. Members have outlined, there has been genuine progress in some areas in recent years. However, I am sure that the Minister would concede that we have some distance to go before the rights and duties that exist on paper are translated into genuine improvements to the lot of those with learning disabilities.

As has been mentioned, the initial report from the Joint Committee was partly prompted by the shocking findings of the Mencap report, "Death by Indifference", which has been debated in Parliament before, so I will not linger on the details. However, the hard evidence that people with learning disabilities face stark health inequalities is simply overwhelming. Among people with a learning disability aged 20 to 29 years old, mortality is nine times higher in men and 17 times higher in women. Other hon. Members have mentioned the independent inquiry into access to health care for people with learning disabilities that was published last year, which supported the findings of the Joint Committee's report. That inquiry found that

> "Adults and children with learning disabilities, especially those with severe disability...have significantly worse health than others."

However, the parents and carers of adults and children with learning disabilities often find their opinions and assessments ignored by health care professionals. Health service staff, particularly those working in general health care, have limited knowledge about learning disability.

I welcome the publication of the Government document, "Valuing People Now", and the stipulation that reasonable adjustments should be made to all services to reflect the specific needs of people with learning disabilities. However, perhaps the most worrying aspect of the report was that many the staff involved were unaware not only that their behaviour contravened the rights of their patients, but that there was anything unacceptable about their behaviour. That was compounded by the fact that many people with a learning disability were unaware of their rights, because they had never received the help necessary to understand them.

It is one thing to secure a right to something, but unless individuals are aware of their rights and society is aware of its corresponding obligations, change will be slow. As much as anything, the Mencap report showed that the battle of awareness and perceptions is still not won. It is clear that, in too many cases, mainstream health services still do not see people with a learning disability as their responsibility. Until we address the lack of understanding among some health care professionals, new duties will have only a limited impact.

Even securing the rights contained within the UN convention on the rights of persons with disabilities has been more of a struggle than we would have liked. I welcome the Minister's written statement on the ratification of that convention and the signing of the optional protocol, but the delay has been, at least, unfortunate. Although I understand the need for certain opt-outs for Departments, such as the Ministry of Defence, I share the incredulity of many people who cannot understand why it has taken so long to organise what appear to have been relatively minor changes, most of which already have precedence in the Disability Discrimination Act 1995.

Social care, as anyone involved with an individual with learning disabilities will know, is fundamental to providing the opportunities and dignity in life than many of us take for granted. Although all Departments are experiencing budget constraints, it seems clear that current funding for social care will prove to be inadequate in the future. As mentioned by the hon. Member for South Thanet, the cost of care is increasing and when free personal care for the elderly was introduced north of the border, the costs were underestimated. There is no doubt about that; it is a very expensive business.

Funding ought to reflect increased demand and, considering that the number of adults aged 18 to 64 with a learning disability is set to rise by 20 per cent. between 2005 and 2041, we clearly need to look again at whether we can meet our obligations to people with disabilities under the current funding arrangements. Put simply, the consequences of the failure of funding to keep pace with need are tightening eligibility criteria. That is leading to more and more people being excluded from the social care services that they desperately need.

I look forward to the Minister's comments on what his office can do to remind every local authority of its responsibilities to deliver and promote human rights. I add my support to the Committee's calls for the Government to adopt a nationwide communications programme to provide adequate information for people with learning disabilities—both in relation to their rights and how to access redress if need be.

Sir Nicholas Winterton: Has the hon. Gentleman given any thought to the role played by parents who look after an adult son or daughter with learning difficulties

[Sir Nicholas Winterton]

and the pressure is on them? If they die, what will be the additional cost of looking after their child outside what has been their traditional home? To my mind, carers are under immense pressure, and I say to the Minister that, without them, this country would be in grave difficulty. I pay full tribute to the carers of those with learning difficulties. How might we help those carers—for example, are there sufficient facilities to give them the respite care that they need from time to time?

John Barrett: That is a key factor in the entire costing of the massive costs that are involved in care. Whatever it costs to care—through trained nurses, support staff or whatever—a massive burden of care is currently taken on by families. Whether younger people are looking after elderly people or parents are looking after their children, the big worry is what will happen when they have gone. In many cases, the cost of care will be translated from the family to society at large. If we can provide care or assistance for those individuals, that will be a saving, not a cost.

We have talked about the cost of keeping people in care, but what are the alternatives? If we can get adults with learning disabilities into employment, they will help to make a contribution. Similarly, if we can get people out of prison into employment, there is a saving. Among the many costs that we do not know, I suspect that there is no hard and fast figure for the true cost for what parents or adults looking after people with learning disabilities save us. I only know that it must be a massive cost—I have no idea what the figure is.

In the Government's response, I was pleased to see a commitment to the move towards a single equalities duty under the equality Bill and that the Government's intention is to strengthen not undermine the existing public service duty. However, does the Minister share my view that a combined duty may not provide the emphasis and additional help and support that many people with a learning disability may need to access their rights? I am also concerned at reports that the Government are considering the removal of the sixth requirement of the current general duty, which allows public authorities to treat people with a disability more favourably if it is necessary to achieve equality. I am sure that hon. Members will appreciate the importance of the concept of more favourable treatment remaining in the Bill, and unless it does, disability discrimination legislation will be significantly weakened. Will the Minister give me an assurance today that that will be retained in the equality Bill?

In conclusion, this is a good report, and I welcome it and the Government's response. However, although much progress has been made over the decades, we still have some way to go so that, in the not-too-distant future, such reports are redundant. We hope that in the future all people—adults with learning difficulties and the rest of us—are equal, because if we are all equal, we will not need to consider such reports.

4.9 pm

Mr. Stephen O'Brien (Eddisbury) (Con): I, too, begin by congratulating the hon. Member for Hendon (Mr. Dismore) and his Select Committee on the report, on holding the Government's feet to the fire and on securing this debate. I would also like to congratulate the Committee on taking the possibly unprecedented measure of providing the report in an easy-read format, with audio summaries to support maximum access to it and to its findings. There was an interesting exchange about the fact that, wherever one starts, one will never be able to do enough to satisfy everyone, but an important precedent has been set. I hope that the lesson will be applied to many other activities across Parliament.

I am pleased that although the Committee understandably and rightly highlighted heinous recent failures in the care and support of people with one or more learning disabilities, it noted that marked improvements have come about over the past 30 years, stemming in particular from the reforms of Governments of all colours and stripes, including, I am proud to recall, the positive transformational reforms under previous Governments going back as far as the 1971 White Paper, "Better Services for the Mentally Handicapped". I stress that we see this issue in the context of the remarkable progress made during the lives of the current generation—those of us who are here now have witnessed it for ourselves. I thought that my right hon. Friend the Member for West Dorset (Mr. Letwin) set that context particularly ably.

The nub of today's debate is the fact that legislative progress—I emphasise the word "progress"—on the disability agenda has not been matched with practical progress in eliminating barriers and transforming attitudes of employers and society at large towards people with disabilities. Again, my right hon. Friend highlighted the moral imperative of making adjustments, and how the interests of society at large would be served by contributions that would come into balance, providing we take the right next steps. He called it a further leap in the case of mental disabilities. He made an interesting argument about how society's interests could be served by taking that further leap.

We have only to look at the employment rate for disabled people, which is much lower than that for non-disabled people. It is 50 per cent. as opposed to 80 per cent., and has risen by only 4 per cent. over the past 10 years, despite the broadly benign economic conditions during that period. One can only fear the effect that the current economic conditions will have on people who have a disability. We have my right hon. Friend the Member for Witney (Mr. Cameron), his wife and family very much in our minds, thoughts and prayers at this very sad time after the loss of their beloved son. Ivan's condition was central to the issues that are the subject of this debate. It was my right hon. Friend who launched the Opposition's welfare-to-work proposals, which will help many disabled people back into work. We want to encourage a system whereby employers have more incentives and capacity to help disabled people find employment.

I was much encouraged by the comments of the hon. Member for South Thanet (Dr. Ladyman), who spoke with particular passion and knowledge, and made a moving contribution. I am sure that I am joined by the rest of the Members present in thanking him. I was also encouraged by the example that the hon. Member for Croydon, Central (Mr. Pelling) gave of employing somebody who had a learning disability in Parliament. He made his point with great impact.

I am genuinely pleased that the Government have now adopted—I will refrain from using the word "stolen", given that this is such a consensual debate—our proposals,

which are now contained in the Welfare Reform Bill. We support those plans, but we caution the Government that they will not be successful unless the approach taken is the one that is being advocated by others: it is vital to reinvest benefits savings to help more people into work, and to have cyclicality in the funding mechanism. I am pleased that the Government have signed up to the genuinely consensual, dynamic drive towards the personalisation agenda. The Minister and I are often on platforms together on that subject. It is part of our unity of analysis when it comes to such matters.

The decision by the Joint Committee on Human Rights to carry out an investigation into the human rights of people with a learning disability came in the light of reports from the soon to be scrapped Healthcare Commission and the Commission for Social Care Inspection into abuses faced by people with a learning disability in Cornwall, Sutton and Merton, as well as "Death by indifference", a Mencap report that carried great influence and is greatly to be admired. It revealed the avoidable deaths of six people with a learning disability while in the care of the national health service.

CSCI and the Healthcare Commission are to be scrapped at the end of this month. They will be succeeded and subsumed by the new Care Quality Commission, and many of us are actively engaged in discussions with the new officers and executives of that commission in an effort to ensure that many of the benefits developed by the previous bodies will be carried through. The JCHR's report, "A Life Like Any Other? Human Rights of Adults with Learning Disabilities", was published in March 2007, and the two subsequent Government responses were published in May 2008 and January 2009. It is important to note that this is a question of UK-wide import, and that the devolved Administrations, too, welcomed the report. I do not believe that that point has been made in this debate.

The report charted the broad human rights implications of failures in the care and support of people with one or more learning disabilities. It noted that the evidence suggested that adults with learning difficulties are more vulnerable to social exclusion, poverty and isolation, and that public authorities, including local authorities and primary care trusts, are finding "Valuing People" difficult to act on. A contributory factor—I do not by any means suggest that it is the only one—to that failure is the need for the Government to ensure that resources match the demands placed on local authorities in particular and other local bodies to deliver what the Government have said that they should deliver.

The Committee found that people with learning disabilities were more likely to be taken into care, and that they were discriminated against in the criminal justice system. That was discussed earlier in this debate. Although the issues are cross-cutting for Government, the Department of Health is the lead Department, and the Committee duly singled it out for not promoting the human rights of people with learning disabilities. To that degree, it is both welcome and important that a Minister from that Department is here today.

The Committee made it clear that this is a burgeoning issue, as the number of adults with learning disabilities in the UK is growing, due in part to better neonatal and lifetime care and, it is argued, to women becoming mothers at an older age. The growth in the number of people with a learning disability has been estimated at between 3 and 5 per cent. a year. The personal social services research unit predicts that the number of adults aged 18 to 64 with a learning disability will rise by 20.6 per cent. between 2005 and 2041, and new research by the Centre for Disability Research found that the average estimated annual increase in new entrants to services will be 3.2 to 5.5 per cent. per annum between 2009 and 2026.

Above all, we simply must never lose sight of the fact that each and every one of the people we have in mind is an individual. They are part of a family, and they have carers. It is vital that we do not allow statistics to blind us to what is ultimately the basis of a debate on human rights, which is that individual human beings have rights. We must ensure that we can define and understand them, and find the means by which, through a balanced and civilised society, we can protect them. My hon. Friend the Member for Rochford and Southend, East (James Duddridge) made that point extremely powerfully through his sensitive and moving account of the fairly well-known case of Martin Ryan. We now look to the next step which, we hope, will produce the necessary sense of resolution and ensure that lessons have been learned. My hon. Friend's points about accountability and a sense of justice will have been heard, and those who are charged with taking the case forward will no doubt read with grave care what he had to say.

The Government provided two responses: one in May last year and one, coinciding with the publication of "Valuing People Now" in January. It is worth noting that that document is, in many respects, a response to the shortcomings of the Government's initial document, "Valuing People". Has the Minister reflected on how to avoid repeating those shortcomings? We look forward to his reply. It is disappointing to hear the Government reannounce measures. The Minister well knows that we get very cross when they announce things that have already been announced, because it tends to undermine the importance of the matter. On this matter, however, I welcome reannouncements. It is important to emphasise the issue, and when things have been announced but not acted on, we welcome any reannouncement that ensures we make progress and help the Committee Chairman to keep the Government's feet to the fire. The usual accusation on reannouncements is therefore tempered by that fact.

The "Valuing People" White Paper said:

"The Government will enable all people currently living in long-stay hospitals to move into more appropriate accommodation by April 2004."

However, in the April 2008 comprehensive spending review, the Government announced funding and

"support for 3,000 people with learning disabilities to leave NHS accommodation and be supported to live independently."

That was not new money but a reannouncement of £175 million to take people with learning disabilities out of campus accommodation, which was itself announced by the Minister's predecessor, the hon. Member for Bury, South (Mr. Lewis), as way back as 9 August 2007. I place that on the record in the hope that we can move from words to action.

I am sure that the Minister will want to update the House on the responses to, and progress of, "Valuing People Now". Some concern has been expressed that, even after the Committee's warning that there are measurable targets for action in the report, such as the dementia strategy, which was published at a similar

[Mr. Stephen O'Brien]

time and, no doubt, after a similar amount of financial filleting, it still contains very few goals, aims or targets—whatever word the Government prefer to use—beyond the welcome and worthy words about how the future should look. It is absolutely vital to couple words with action and funding, however, if we are to give people the confidence that we are moving from debate to action. Even in the delivery plan, there is little direct action to improve lives; it is mostly about carrying out studies, with no promise of action in the light of what they might find, and about creating new bureaucracies. Furthermore, there appears to be only three mentions of human rights in the so-called delivery plan.

The questions on funding are also absent from the delivery plan. Mencap said that it

"remains concerned that Valuing People Now will fail to improve the lives of all people with a learning disability without a substantial increase in funding, especially in social care, which is desperately needed to meet the existing and predicted increase in demand for services".

I am told that the Minister said that the national director for learning disabilities is a lone-ranger post, although I may be wrong, and he will want to correct me if I am. However, the previous director, the Government's own appointee, stated that an estimated additional £1 million for each English local council would be needed over each of the next 10 years to provide good-quality social care to support people's right to a life based on independence and dignity. That would amount to an extra £1.5 billion above current expenditure, so it would be helpful if the Minister outlined the Government's proposals on that challenge.

The Committee recommended the introduction of a positive duty on public authorities to promote respect for human rights, and leadership and action from the Department of Health, the Office for Disability Issues and the Equality and Human Rights Commission. The Committee said that it was

"deeply concerned about the Government's negative response to our recommendations on the need for an express positive human rights duty for public authorities".

Obviously, we can debate the value of such pronouncements outside the context of proper funding of their contingent liabilities; however, it would be interesting to hear in what way the Minister feels that simply re-emphasising existing legislation and guidance will make a difference in developing a human rights-based approach locally, and how it will overcome the disappointment of those commentators whom I have just cited.

One area that the Committee addressed was the tightening of eligibility criteria, and the Government prayed in aid the comments from the then ongoing review by the Commission for Social Care Inspection, under its chair, Denise Platt. The consequences of the failure of funding to keep up with increases in demand mean that a large number of people are excluded from social care services, or "lost to the system", as Dame Denise put it, through the tightening of eligibility criteria. Funding shortages mean that 73 per cent. of councils now support only people with critical and substantial needs. Those with mild and moderate needs receive little, if any, support. Indeed, 34 per cent. of respondents to the Learning Disability Coalition's survey, "Tell it like it is", said that their daytime activities had been cut.

On the eligibility criteria squeeze, the Committee Chairman highlighted how a more modest and earlier intervention would be best for people with learning disabilities—best for ensuring that they were well supported—and how, equally, it could be best for society and the taxpayer, because early intervention can lead to much lower emergency expenditure later.

The learning disability budgets of three quarters of councils were under pressure in 2005-06, and in 2006-07 they were overspent by 2.7 per cent. For example, Hertfordshire county council already projects an overspend and, overall, expects a 5 per cent. increase in expenditure—beyond the Government's maximum provision of 4 per cent.—when compared with 2007-08. Dame Denise's review has been published and is pretty damning of the Government, so I hope the Minister will explain how the Government are going to address that concern after those findings.

Interestingly, the Committee identified that many human rights failures pertaining to older people's care also pertain to the care of people with a learning disability, and an issue that other contributors to the debate have not covered is malnutrition. The Committee Chairman and I have debated it in the past, and he is very supportive of my concern. I am sorry to say that the Government seem quite anxious to sideline the issue, however. I do not accuse the Minister present of that, but I have the bruises on my back to show for causing intense irritation to his colleague, the Minister of State, Department of Health, the hon. Member for Exeter (Mr. Bradshaw), who continually challenges the idea that malnutrition is a problem in our society and health and social care services.

I was deeply concerned this week to find that the Government have refused to publish figures on the extent of malnutrition last year—figures that they happily published for the year before. According to the written parliamentary answer that I have received, however, they say that this year it is too complex and costly to do so. Perhaps the economic climate has bitten at the Department of Health, but I fear that it is more likely a wish to avoid the embarrassment of having the injustices in our society brought to light when it comes to declining performance on malnutrition. The issue sits fair and square within the human rights framework. I have been grateful for the Committee Chairman's support, and I hope that his Committee will continue to monitor the issue closely—certainly, I shall.

The Committee also felt that the ability to make complaints falls within the human rights framework, as the Committee Chairman will well remember from discussions during the passage of the Health and Social Care Act 2008. I hope, therefore, that the Minister will explain how the legislation on complaints, which is in the Health Bill now before Parliament in the other place, will benefit those with a learning disability—in publicly owned services, in publicly funded services and in privately funded services. If the Government had heeded the calls, including those made by me during the passage of the Health and Social Care Bill, the legislation currently before us would not be needed as it would already be in place and the suffering would already have been reduced.

The Government also pledged, in their first response to the Committee, to address the issue in the NHS operating framework. I hope that the Minister will

outline how that has been done. I note that it is a new, popular Government response—the same has happened with dementia—because it places the burden on local hospitals and primary care trusts without mentioning the funding, especially any funding that might be attached to it, passported or carried through. In making sure that we are holding the Government to account on their responses, it is vital that we understand that, when they place a burden on others to deliver on the general point, they have also addressed where the funding will come from, rather than simply expecting budgets at local level to be adjusted, prioritised and squeezed ever further because what is spent in one area means that spending has to give in another.

I was pleased to see that the Government agree with the Committee's position on parents with a learning disability and on the need for support, so that their children can live and grow in that situation. However, in their response the Government did not mention the resources that will no doubt underpin this agreement. Again, I hope that they will take this opportunity to clarify what they are going to bring forward by way of resources to deliver on that agreement.

I see that the Minister will have a long time to answer all these questions and that will be helpful, as he will be able to cover all the points that have been raised.

As mentioned by the hon. Member for Edinburgh, West (John Barrett), who speaks for the Liberal Democrats, two pieces of legislation that are pertinent to this debate are being considered: the United Nations convention on the rights of persons with disabilities, and the equality Bill. There was some expectation that the equality Bill might arrive this week. I hope that we will have some indication of when that will appear.

On the United Nations convention on the rights of persons with disabilities, we in the Official Opposition broadly welcome it and are pleased that the UK was one of the first states to add its signature, on 30 March last year. However, despite the previous Minister for disabled people indicating that the convention would be ratified by the end of last year, the new Minister has admitted that this date has slipped to spring this year. Spring technically finishes on the summer solstice on 21 June, but, as with the Green Paper that we are so eagerly awaiting from the Minister, we are all desperately hoping that he means before Easter, which, in parliamentary time, means before 2 April. I hope that he will confirm that. The delay in ratification has seriously damaged the opportunity for the UK to be represented on the UN committee. The Government have already stated that they do not see a gap between our current legislation and the convention, so it is difficult to understand why there has been such a delay in ratification.

The hon. Member for Edinburgh, West also mentioned the signing of the optional protocol. Having resisted it, the Government have now signed it. But it is worth those who have been pushing for this move considering what force it will have after the Government have applied their reservations to the protocol, particularly in the areas of defence, education and immigration. The Disability Charities Consortium is arguing forcefully that these reservations should not be applied. It will be telling to see where the Government go with that debate. The Minister has the knowledge—I would like to say comfort—that the Official Opposition understand the need for some of the reservations and opt-outs, not least in relation to the armed forces, as the Liberal Democrat spokesman also mentioned.

I have no doubt that when the Minister gets to his feet in the next few seconds, the main thrust of his response will be that the Government are about to publish a Green Paper, and he will mention the other things that are about to come. I said at the outset of my remarks in this important debate, which we all care deeply about, that in respect of many of the issues we have spoken of today, the nub of it is the implementation and funding that goes along with the rhetoric, the aspiration and the agreed set of principles, on which there is more or less a uniform view throughout the House.

I am anxious that, given the growing cracks in the system in this area—any Government who have been in office for 11 years must account for the system—the Government have been serially deferring reports that lead to action, and one report has been begetting another and so on. Sadly, there is no indication as yet that the Green Paper will break this cycle. I fervently hope that the Minister will dispel my concerns. But if he does not, I hope that he will at least set out the options for a new system, with the funding implications, so that we can have a full and informed public debate and ensure that the debate fostered by this important report shows how we can link social care services with the funding, and with the people with need. We clearly have to do that for society; it is a moral and philosophical demand upon all of us.

4.35 pm

The Minister of State, Department of Health (Phil Hope): May I start by thanking my hon. Friend the Member for Hendon (Mr. Dismore) both for chairing the Joint Committee on Human Rights so effectively and for leading the debate this afternoon with his usual commitment and intelligence? I thank him for his kind words—he said that the hearts of Ministers and their policies are in the right place—and for warmly thanking us for our commitment. He also talked about the need for a cultural change if we are to progress this agenda. I will say more about that in a moment. I will endeavour to answer all his questions, but if I fail to do so I will ensure that we write to him on any of the specifics on which he was asking for clarification.

This has been a good, thoughtful, provoking debate across Government, with all parties involved. I know that the hon. Member for Rochford and Southend, East (James Duddridge) has had to leave the Chamber, but none of us can sit here and listen to the cases of abuse that he and my hon. Friend the Member for Hendon described without feeling tremendous revulsion at what has happened. I am unable to comment on individual cases that are still the subject of investigation, but we understand, and expect the report that was mentioned to be published shortly. Certainly, preventable deaths of people with learning disabilities are unacceptable. If anything positive comes from tragic cases of neglect uncovered in "Death by Indifference", it must be a reminder of the need for constant vigilance across local services.

The Mencap report, together with the Joint Committee's report, "A Life Like Any Other?", provided us with an urgent call for action to apply better safeguards across the system, to improve the skills and sensitivities of

[Phil Hope]

professionals and, above all, to ensure that a person's human rights are sacrosanct, both in public services and in the way that wider society responds to people with learning disabilities. We listened to those concerns and responded decisively.

My right hon. Friend the Member for Leicester, West (Ms Hewitt) promptly commissioned Sir Jonathan Michael to chair an independent inquiry. I am pleased to say that Sir Jonathan himself acknowledged our progress since then. He said that the steps taken in "Valuing People Now"

"will significantly reduce the risk of untreated ill health and avoidable death that my inquiry found."

I will come back to "Valuing People Now" in a moment, but first I want to make a broader point about the clear commitment across Government—I speak as a Health Minister—to developing policies in line with the Joint Committee on Human Rights' recommendations.

On health, last year's NHS review is a case in point, with its focus on patient quality and patient experience as the driving force for reforms. That philosophy is now codified for future generations in the new NHS constitution. In social care, "Putting People First" provided the same call for local services to become more responsive and more sensitive to the individual needs of service users and their carers. That general philosophy, which I hope is shared by all parties—the hon. Member for Eddisbury (Mr. O'Brien) mentioned the personalisation of services—provides the bedrock for more specific reforms that we have introduced. They include the first national dementia strategy that we published last month; the carers strategy—hon. Members referred to carers' important role for adults with learning difficulties—and the independent living strategy that we published last year; our ongoing work to promote dignity and respect throughout all health and social care settings; and the development of the social care Green Paper, which is due this spring. All those policies have come just from the Department of Health in Richmond house, but the same commitment stretches throughout Whitehall in a whole host of wider commitments.

The work of the social exclusion taskforce is ongoing, and when I was a Minister in the Cabinet Office, I had responsibility for its work. That and this year's new opportunities White Paper have put a spotlight on improving social mobility among the most excluded groups. Our cross-Government public service agreement 16 will increase the number of adults with learning disabilities in paid work—that was raised during our debate—and in settled accommodation over the next three years. The hon. Member for Edinburgh, West (John Barrett), who speaks for the Liberal Democrats on the subject, mentioned our new strategy on employment for people with learning disabilities, which is due this spring and will present a specific action plan to support people in finding and remaining in work.

All those measures within the Department and across Government are underscored by our commitment to ratify the UN convention on disability rights. As hon. Members have said, the Command Paper and explanatory memorandum were laid before Parliament on 3 March. Our ambition is to achieve that ratification in the spring, and I confirm that we signed the optional protocol on 26 February.

Mention has been made of the Commission's support for a positive human rights duty, and I want to put on the record that section 6 of the Human Rights Act 1998 makes it explicit that it is unlawful for a public authority to act in a way that is incompatible with a convention right. In addition, section 9(1)(d) tasks the Equality and Human Rights Commission to

"encourage public authorities to comply with section 6 of the Human Rights Act 1998",

so we are not persuaded that additional legislation is needed.

In "Valuing People Now", we are bringing together all the work that I outlined.

Mr. Stephen O'Brien: That is an important statement, and I am grateful to the Minister for what he has just said. Having concluded that the Government do not believe that there is justification for further legislative measures, will he explain, in addition to having explained the Commission's role to urge the Government to comply, who will have the teeth to seek redress for non-compliance if there is a failure?

Phil Hope: We are not here to debate the Bill or the convention, so I will not address the specifics of that question, but the hon. Gentleman will have an opportunity to make his points during the passage of the Equality and Diversity (Reform) Bill. He asked me earlier when that will be, and the answer is soon. I think the House will congratulate the Labour Government on introducing a comprehensive equalities Bill that will introduce measures that will make a huge and, hopefully, irreversible difference to the equality and treatment of many more people in our society.

Mr. Dismore: On the same issue, but at a slight tangent, the Minister referred to section 6 of the Human Rights Act 1998, and a key issue is what we mean by "public authority". My hon. Friend will be aware of the continuing debate about that, which will result in a one-off measure for old people's homes, but the issue will remain at large for the wider privatised/contracted-out public services, particularly social services, in which there has been increasing private provision. One concern that my Committee has raised on several other occasions and which will be addressed in my private Member's Bill is that we must ensure that those who provide public services through private means or systems are covered by the 1998 Act to enable that direct enforceability for any breach of the Act.

Phil Hope: I will certainly draw attention to the point that my hon. Friend raised. He will know far better than me how his private Member's Bill will get on, and the procedures that may or may not be used to ensure its successful conclusion.

In line with the Joint Committee's recommendations, the whole of the "Valuing People Now" strategy was written entirely from a human rights perspective, and I was interested to note that my hon. Friend the Member for South Thanet (Dr. Ladyman), although welcoming that approach, thoughtfully teased out a number of complexities that arise when we take a human rights approach. That is exactly the sort of thinking and debate that we must continually address. We must start with a human rights-based approach, and I hope that that is agreed throughout the House.

The "Valuing People Now" remit was broad. We want to ensure that we deliver change everywhere for everyone, and in response to the progress that the original "Valuing People" report made, the "Valuing People Now" strategy focuses particularly on people with complex needs, people with autism, and people from black and ethnic minority groups. I had a meeting with Victoria Willson and her mum, Jean, and the Learning Disability Coalition only yesterday, and I was profoundly struck by the fact that someone with such complex needs was living an independent life, and had been doing so for the past 20 years. People may say that that cannot be done, but clearly it can and is being done. There may be debate about resources, but the fact that it can be done tells us that such examples should be not the exception, but the norm.

The scope of "Valuing People Now" is ambitious, because we want to transform the way that people with learning disabilities view the world, and the way that the world views them. That central vision, leadership and commitment is in line with the Joint Committee's recommendations. As has been said repeatedly this afternoon, I know that it wanted strong words to be translated into hard action. That is exactly what is happening, and our efforts are yielding real results on the ground.

People with learning disabilities now have more choice and more control over their lives. For example, 2,000 people now receive direct payments, which they can use to pay for the care or services that they want. Many are now progressing from direct payments to individual budgets. During a visit to Chelmsford, I saw how those budgets are transforming people's lives. I met a young man with learning disabilities whose life was completely different. He was working, had a girlfriend, and was living an independent life. It was not only his life that had been transformed; the life of his family had been transformed because of what he was able to do with his independence.

All that is part of a much wider drive to grapple with the issue of how to give people with learning disabilities more freedom and independence. It is right that more people with learning disabilities are living in their own homes, and enjoying a richer and more varied social life. I am particularly pleased that improved advocacy, to which my hon. Friend the Member for Hendon referred, and better information and advice mean that more people with learning disabilities can shape their own future, and are being treated as equal citizens in our society.

My hon. Friend also referred to funding. Average spend on advocacy services has leapt by more than 40 per cent. since 2004. I dare say that he would like to see more, but I want to put on the record how much difference that has made to the lives of adults with learning disabilities.

The hon. Member for Eddisbury spoke about support for people with learning disabilities who want to make complaints about how they are treated. The Department will be developing materials to help such people and their families to understand their rights of redress and how to complain, because that is an essential part of what advocacy can do.

Sir Nicholas Winterton: One reason why I have come to the debate and sat through certainly three quarters of it so far—I was a moment or two late—is that I was approached by East Cheshire Advocacy. It is extremely active in my constituency and the adjoining areas, but it needs help and funding to be able to continue to provide that very worthwhile advocacy, and not least, as the Minister rightly said, to complain, because that is often what people are unable, or feel themselves unable, to do. Is the Minister understanding of the modest sums that that charity needs to provide the excellent services that it does, and not only in east Cheshire? I have quite close contact with it and meet many of those who go to its weekly meetings. Does the Minister appreciate that it cannot operate on thin air?

Phil Hope: Of course. Quite rightly, many third sector organisations—user-led organisations in particular—not only support and help in the development of policy, but campaign, either for an individual or for a group of people whom they represent, to improve services in their area. That is a core part of what charities should be about. Some Opposition Members thoroughly disagree with the idea that charities should campaign for issues in support of their beneficiaries. However, Government Members see that as a core part of what the third sector exists to do and has done for many years, and we want it to be strengthened. That does mean that sometimes such organisations bite the hand that feeds them, if I can put it that way. Good. That is right. Local authorities and central Government, when we fund third-sector organisations directly, should expect a partnership to include criticism as well as support and engagement. That applies not least to advocacy organisations.

We are developing a funding programme for user-led organisations because we want to see them in every local authority area. There will be more announcements about that in due course, but if local authorities, no matter what their political colour, believe in personalisation and developing services and tailoring them to meet the needs of individuals, then enabling those organisations and the individuals who represent them to be funded to do that work and to promote the needs of the individual is a critical part of the commissioning process overall when services are being developed.

I therefore urge the hon. Member for Macclesfield (Sir Nicholas Winterton) to go back to the local authorities to which he was referring. I am not sure of the political colour of the council in his constituency, but if it is of a similar colour, perhaps he, as a member of the same party, will be able to persuade it of the point, rather than relying just on the exhortations of a Labour Minister.

Mr. Stephen O'Brien: I am greatly encouraged by that response to the intervention from my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton). My constituency has a portion of east Cheshire—the new east Cheshire coming into being on 1 April—within it. The Minister's response is hugely encouraging, and not only given that we have those advocacy services. The Health and Social Care Act 2008 is relevant. It is vital that the LINks—local involvement networks—should also be properly funded. There are big questions at the moment about whether the funding will be adequate. I hope that the Minister will have an opportunity to take some of the points that he has just made, which were very welcome, back to ministerial colleagues to ensure that there is a co-ordinated Government approach to a proper funding base for those various organisations. That has been a running sore for nigh on 10 years, since

[Mr. Stephen O'Brien]

community health councils were scrapped. At last, the Government are beginning to recognise that there is real value in government in having good advocacy and, indeed, complaining services, which do need some form of public funding support to make them sustainable.

Phil Hope: I am perfectly happy to take those points back, because I do this all the time inside Government—support third-sector organisations. From memory, as a former Minister with responsibility for the third sector, I believe that funding for such organisations, which was about £5 billion a year in 1997, was £10 billion in 2006, so in the past 10 years funding and resources for third-sector organisations have doubled. I encourage local authorities, when making decisions about how to allocate funding and doing their commissioning, to recognise the essential role that many third-sector organisations play as advocates, in helping policy design and in delivering services to people in their area.

I am pleased that people with learning disabilities, as a result of the progress that we have made, are now connecting with their communities more fully and that more are living independently. Various hon. Members mentioned long-stay hospitals. For the record, I point out that by the end of this month there will be just one remaining long-stay hospital, with just 20 residents. Notwithstanding the point that my hon. Friend the Member for South Thanet made, we can say that we have made real progress in encouraging independent living—not people living on their own, lonely, but independent living with support. The numbers living on national health service campuses have also dropped, from about 3,000 in 2006 to 1,000 today. I think that that issue was raised by the hon. Member for Eddisbury.

We are already seeing real change, and that is only the tip of the iceberg. We have responded to the JCHR report. We have listened and taken action to ensure that the promises made in "Valuing People Now" translate into an even brighter future for people with learning disabilities, but to do that, we have further to go. Further reform is needed in three key areas.

The first—this connects with many of the concerns about policies and action on the ground—is better governance and accountability at national, regional and local levels. We have developed a new command structure—a new set of controls to ensure that we deliver the "Valuing People Now" commitments everywhere and for everyone. At the top of the pyramid is a new learning disability programme board, which I co-chair, supported by two national directors for learning disabilities, one of whom has a learning disability. The board includes cross-Government representation and the active involvement of people with learning disabilities and family carers. That board will link to new regional learning disability boards and strengthened local partnership boards, ensuring that all the agencies link up to deliver on the promises that we set out in "Valuing People Now". The national programme board will also produce an annual report and an updated delivery plan, holding the regions and local areas to account on their performance.

I reject the criticisms from the hon. Member for Eddisbury that we are not monitoring, driving, leading and making change happen. We have put in place a structure to do precisely that. I confirm, as a point of detail, that it will include monitoring the implementation of the good practice guidance on parenting. That will go out at local level. We want to ensure that that guidance is shared with primary care trusts and NHS trusts. On top of that, we have put in place specific measures to improve health services, which we know were a particular concern for the JCHR.

Ann Winterton (Congleton) (Con) *rose—*

Dr. Ladyman *rose—*

Phil Hope: Two hon. Members are seeking to intervene. I shall give way to the hon. Lady first.

Ann Winterton: I am most grateful to the Minister. A thought has struck me, following his announcement that there is only one long-stay hospital, with 20 people living there. Has there been an initiative, in view of that, within the health and dental education services? I ask that because when people lived in short or long-term stay hospitals, they had specialist dental and medical care—professionals who were used to people with learning disabilities. Out in the community, in whatever way people live, it is a different ball game. Has there has been an initiative within the national health service and the education of doctors, nurses and other professionals to deal properly and sensitively with those who have these disabilities?

Phil Hope: The hon. Lady addresses the very points that I was about to come on to. We have put in place specific measures to improve health services for adults with learning disabilities. This year, as hon. Members may know, we have introduced a directed and enhanced service for annual health checks for people with learning disabilities—my hon. Friend the Member for South Thanet referred to that in his remarks—that will allow doctors to keep a close eye on the health of those individuals, pick up any early warning signs and give people more information, advice or, indeed, a referral if they need more help.

In addition, every PCT must ensure that people with learning disabilities have personalised plans to support them. More broadly still—we are going from the bottom up—the new NHS operating framework makes it clear that PCTs should secure health services that make "reasonable adjustments" for people with learning disabilities. We shall work with strategic health authorities to review progress on delivering that outcome.

Dr. Ladyman: I take my hon. Friend back to what he said about his new command structure and the importance of involving people with learning disabilities. Will he talk to his colleagues at the Department for Work and Pensions, to ensure that people with learning disabilities who attend such meetings do not find themselves excluded from receiving jobseeker's allowance because they are not available for work; that they do not have difficulty when claiming expenses because they have to be declared; and that they are given an honorarium to cover their time and effort in attending those meetings without losing benefit, pound for pound?

Phil Hope: I am sure that those points will be made with vigour at the meetings of the national board. The DWP is a member of that board, and it will have the

opportunity to debate those issues and to raise them directly with others. I shall, of course, ensure that my hon. Friend's comments are fed into the system.

The second key pillar of reform is that of better skills and awareness to help professionals at all levels. On one hand, that means better commissioning within PCTs and local authorities. I am very conscious that there is still patchiness in provision across the country, which reflects a lack of consistency in commissioning standards. As a result, we will publish new guidance to build up commissioning skills within local authorities, specifically on promoting better health and well-being for people with learning disabilities.

From April, we will transfer NHS learning disabilities budgets, and the associated commissioning responsibility, for all social care for adults with learning disabilities to local authorities. That change will allow the NHS to focus on its primary health-care responsibility for people with learning disabilities, yet give local authorities a clear role in delivering high quality, community-based care services.

Sir Nicholas Winterton: How urgently is the Minister treating the matter? Many of us have copies of the excellent briefing paper from Mencap and the Learning Disability Coalition. Although those bodies welcome the Government's strong commitment to improving health services for people with a learning disability, they highlight certain matters. My hon. Friend the Member for Eddisbury (Mr. O'Brien), the shadow spokesman, highlighted the fact that among people with learning disabilities aged 20 to 29, the mortality rate is nine times higher in men and 17 times higher in women. They also highlight other areas. Are these a priority for the Government?

Phil Hope: The hon. Gentleman is absolutely right. We need to improve front-line skills so that those statistics and the tragedy that they represent can be addressed directly. We need to ensure that whatever discipline the professionals may be in, they are aware of the issues faced by adult with learning disabilities.

In social care, the work force proposals set out in "Valuing People Now" will be taken forward through a new adult social care work force strategy, to be published later this year. GPs and primary care practice staff will receive training and advice to help them meet the needs of people with learning disabilities; that is clearly essential if the annual health check programme that I mentioned earlier is to function well. Across the NHS, we have launched an awareness campaign to teach staff about the disability equality duty, leaving them in no doubt about their responsibilities to uphold the patient's human rights. I was struck by the point made by my hon. Friend the Member for Hendon that training that could deliver relatively small changes in practice can have a large impact on people's lives. That is something we look forward to.

Mr. Dismore: I take the Minister's point about training, but we must ensure that we train not only new entrants to the various professions and services but those who are already there. The big problem is to get the message over to those who were not inculcated with that sort of approach at the beginning of their career.

Phil Hope: Yes, it is clear that we must raise awareness among existing staff; it is not just about new entrants. In a way, the fact that people in the relevant services hold those attitudes shows that we need to see a culture shift across society. We have to challenge discrimination, and open doors for adults with learning disabilities.

I return briefly to the question of employment. The employment of adults with learning disabilities is a key building block, and public service agreement 16 and the new employment strategy that I mentioned will resonate across communities. We need greater visibility, and with it greater acceptance, better understanding and higher expectations for people with learning disabilities. To pick up on a point made by my hon. Friend the Member for South Thanet, who was one of my predecessors, I expect the public services to show leadership. I want to use this afternoon's debate to throw down a gauntlet, particularly to the national health service. The NHS is by far the biggest employer in the country, and the third biggest in the world. There is no reason why it should not employ more people with learning disabilities in appropriate roles.

I believe that primary care trusts and NHS trusts can learn a great deal about how to do that from the work that is already going on. There are excellent examples in Leicester and Norwich; I would describe both authorities as being well ahead of the curve. Authorities around the country are already making a difference. I want to see that change start at home. I cannot answer the question put to me by my hon. Friend the Member for South Thanet on the number of people with learning disabilities employed in the NHS, but I am mindful of that point and will take it on. The societal change that we need should start with the NHS.

Dr. Ladyman: I remind my hon. Friend that there is a bigger employer than the NHS, although the work force is split over several hundred employers; it is the one for which he is responsible—social care. My experience of those with more simple or moderate levels of learning disability is that they are tremendously caring. They could provide many caring roles to others with more serious learning disabilities, and they would be sympathetic and understanding. I would encourage my hon. Friend to think of the social care world as being a place where many such people could find employment.

Phil Hope: That is a good point. Indeed, all employers should consider such opportunities. We should not have stereotyped predispositions about the particular roles that people might play. We can identify a person's skills and strengths and find roles and responsibilities in a variety of settings and organisations. From memory, I believe that South Lanarkshire council authority has realised a remarkable achievement, given the number of people with learning disabilities whom it employs in a variety of roles. I suspect that it is driven by one individual, who is intent on championing that in his local authority. We should have such champions in every local authority, driving forward such changes. We need to support change through wider action, and there are encouraging moves afoot.

I want to pick up on some of the points raised in the debate. The Home Office seeks to take strong action on hate crime, and specific guidance will be published for crime and disorder partnerships. The Crown Prosecution

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Service is consulting on how it should approach witnesses with learning disabilities. Lord Bradley is currently undertaking a review into diverting individuals with mental health problems and learning disabilities away from the criminal justice system—a subject that occupied much of our debate. We expect that review to be published shortly, and we will respond to Lord Bradley's recommendations.

Even now, work is going on in the criminal justice system. "Valuing People Now" seeks to address the problem, and work is under way to ensure that the specific needs of offenders with learning disabilities are included in the delivery programme on offender health. We are monitoring the implementation of the forthcoming good practice guidance for commissioners of forensic services for those with learning disabilities; and offender management processes should include a health screening programme, so that we can identify an offender's learning disability and any physical or mental health problems that they may have. That should be the start of an individual health action plan for those in the criminal justice system.

Good practice is being developed on learning disability awareness training for prison staff to help them identify and understand the issue, and to communicate better and manage offenders in custody with learning disabilities.

Mr. Stephen O'Brien: My right hon. Friend the Member for West Dorset (Mr. Letwin) touched on that matter, and has conducted a study into it, as the Minister will know. I visited the young offenders institution at Thorn Cross, near Warrington. One of the most telling points that emerged concerns those on remand, although it applies to convicted young offenders serving a custodial sentence as well. Very often those sentences are so short—this is irrespective of the merits of such short sentences—that by the time that a young offender has been assessed, not enough time remains to convert the assessment into an appropriate programme of learning, whether for a certificate, diploma, GCSEs, A-levels or even a plastering qualification. Such assessments show that at least 60 per cent. of young offenders have some form of learning disability or disadvantage. We need a cross-Government examination to ensure that, off the back of such an assessment, there is a continuing commitment to remediate the learning disability through a continuing programme of education after the young person is released.

Phil Hope: It is tempting for me to be drawn into this debate. I was once a Skills Minister responsible for offender learning and education inside and outside the prison system. Back then, I was very concerned, but huge progress has been made to ensure that young people and adults assessed in the system—perhaps for their literacy and numeracy needs, a national vocational qualification or an apprenticeship, for example—are not simply reassessed as they move through or out of the system. We do not want a process of continual reassessment of needs without providing the training and skills required to meet those needs. That problem is now being addressed directly by my colleagues in the Ministry of Justice and in the Department for Innovation, Universities and Skills.

In two regions, we are piloting a campus model in which prison and probation institutions work together and treat the offenders whom they are managing like students on a university campus—that is not quite the right model, but Members will understand what I mean. It will enable somebody to move around the system, continuing their education and skills training, without having to repeat something—either the assessment or a part of the course. That requires investment in IT systems and good communication. The criminal justice system is complex, but huge steps have been taken. From memory, the two regions where the pilot is being conducted are the west midlands and the eastern region. That new approach will join up our approach, so that those barriers do not get in the way of people moving in and out of the system. Of course, that will also apply to adult offenders with learning disabilities.

Sir Nicholas Winterton: What are the Government doing about adults with learning difficulties, perhaps complicated by a mental illness, who are sent to prison because of an offence that they have committed, not because they wanted to commit it, but because their illness and learning difficulty led them to do so? What alternative facilities or care will be made available for such people? They should not go to prison, because no adequate psychological or medical services are available to treat them.

Phil Hope: I shall not get drawn into that debate. All that I can tell the hon. Gentleman is that Lord Bradley, whom I mentioned earlier, is conducting a review into how individuals with mental health problems and learning disabilities can best be diverted from an inappropriate route through the criminal justice system and in the direction of other services and support. That diversion might happen at different stages throughout the system. Once that report and our response to it are published, we will have a chance to examine whether we have fully grasped the issues that need to be addressed.

My hon. Friend the Member for Hendon asked about the Electoral Commission and the voting rights of adults with learning disabilities. I can confirm that, of course, the Government are happy to work with the Electoral Commission and other bodies to identify possible improvements to make the electoral process more accessible to people with learning disabilities. The office of the national director and the Ministry of Justice will work with the commission to explore the issues that he raised. Furthermore, the Department for Children, Schools and Families is working to improve the support available for the parents of children with learning disabilities, ensuring that they know their rights and can hold local services to account. All of that is fundamentally important if we are to change what I call the cultural landscape surrounding people with learning disabilities.

I found the contribution from the right hon. Member for West Dorset (Mr. Letwin) fascinating. Over the past 10 years, funding for adult social services has increased by 50 per cent. in real terms. The changes that I have just described came about because we have ensured that local authorities have been given more resources to meet the needs of adults with learning disabilities. I was intrigued by his contribution, given that he is writing the Conservative party manifesto. If I understood him

correctly, he said that resources to pay for care for adults with learning disabilities and to ensure their human rights could be "self-financing"—I think that he used that word. That appears—I do not know whether this is the case—to be the clearest signal that the Conservatives do not intend to invest additional resources in adult social care for the most vulnerable people and that any improvements would come from savings in other services that they receive. That might be unfair, but organisations reading this debate might want to explore that interesting item further with the Conservative party and to ascertain exactly what its intentions are.

To sum up, we have had a clear debate this afternoon. The Government have a clear, cross-Government vision. We have stronger governance and accountability across national, local and regional areas, we are developing better skills across the work force, and we are taking steps to develop a healthier culture across society at large. Now that we have put those key components for change in place, they are already making a difference to people's lives, and they will do even more for people with learning disabilities in future.

5.16 pm

Mr. Dismore: I do not want to say a great deal. We have had a very well-informed debate. My hon. Friend the Member for South Thanet (Dr. Ladyman) said that our report had not got into the full complexities of the issue, and I would be the first to concede that we did not do an exhaustive job. We tried to pull together the key themes that emerged from our inquiry. Each chapter could have been an inquiry in its own right, and we are keen to look again at the justice system and prisons, because that is where we feel that the greatest injustices are found.

My hon. Friend also juxtaposed human rights and relationships and so on. We have discussed the human rights-based approach today, but we have not defined what we mean by that, so I should like to explain that taking a human rights-based approach means putting the principles of fairness, respect, equality, dignity and autonomy at the heart of policy and planning; empowering staff and users with the knowledge, skills and leadership that they need; having meaningful involvement and participation from key stakeholders; having clear accountability in the organisation; ensuring non-discrimination; and paying attention to the needs of vulnerable groups.

I do not think that the juxtapositions that my hon. Friend discussed involve ignoring human rights; indeed, they facilitate them. He talked about relationships and risk assessments, which, in fact, would not have taken place before, because such people were not allowed to have relationships in the first place. However, we have now started to facilitate them.

The hon. Member for Eddisbury (Mr. O'Brien) talked about choices versus rights—another long, philosophical debate that we do not have time for today, particularly as it might stray into the debate about economic and social rights. I would simply say that, in this context, we are talking not about unconstrained choice, but about fair choice, including the reasonable adjustments mentioned by the hon. Member for West Dorset (Mr. Letwin), and equality of opportunity as far as we can achieve it. In that context, we can square the circle.

Overall, I was very encouraged by my hon. Friend the Minister's reply to the debate. As I said at the beginning, we have been impressed by the commitment shown by him and his predecessor and by the way in which policies are developing. The real issue is how to turn those policies into action. I think that that was both the starting point and the finishing point of his reply.

Question put and agreed to.

5.19 pm

Sitting adjourned.